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NEWS SUMMARY

GENERAL

Ulster poll as Maze man weakens

Polling takes place today in Fermanagh and South Tyrone, the Ulster constituency in which Bobby Sands was the last MP.

Sands was the first Maze prison hunger striker to die in support of the demand for political status.

A tenth, Michael Devine, was yesterday close to death on the 59th day of his fast.

Cape Town raid

Some 2,000 squatters were arrested near Cape Town. They have been demanding work near homes in which families could stay together. Page 4

Media 'takeover'

Poland's Communist Party politburo accused "extremists" in Solidarity of trying to gain control of the country's mass media as rinters continued their 48-hour strike. Page 2

Cuts battle won

Parents from Tirabad, Powys, won a High Court battle to keep open the village's 15-pupil school.

'Boycott imports'

The farmworkers' union plans to picket shops including Marks and Spencer and Tesco to try to persuade shoppers to boycott imported poultry, which it blames for job losses.

Defence talks

Mr Caspar Weinberger, U.S. Secretary of Defence, arrives in London today for talks with Mr John Nott, his British counterpart.

Gambia aid

Gambia has asked for 2,500 tonnes of rice and $400,000 worth of medical supplies as emergency aid after last month's coup attempt, the UN said.

'Rhodesia' ban

Zimbabwe is to ban the sale or public display of "offensive memorabilia from its white Rhodesian past from the start of next month.

Nazi suspect held

The founder of West Germany's largest neo-Nazi group and his companion are being held in custody for the suspected murder of a Jewish publisher and his woman friend last December.

Interferon move

British scientists at ICI have succeeded in making the anti-cancer agent interferon from basic chemicals. It has so far been produced genetically.

Disease 'curbed'

An elderly couple being treated in Rochester for suspected Legionnaire's disease after a holiday in Gibraltar were said to be "responding."

Women workers

The proportion of women out at work in the EEC has risen from 27.5 per cent in 1970 to nearly 31 per cent last year.

Tea plea

There isn't enough tea in China any more, the People's Daily said, calling for a production boost. Page 23

Briefly . . .

Dig at Crickley Hill near Gloucester produced a bronze brooch from about 600 BC.

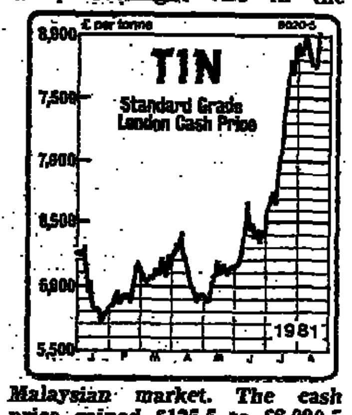
Heart transplant patient Kieth Castle passed his second annual check-up.

Broadway musicals arranger Robert Russell Bennett died, 87.

BUSINESS

Tin rises sharply; $13.5gain for gold

● TIN surged to 17-month highs in London amid renewed buying by influential dealers and a sharp overnight rise in the Malaysian market. The cash price gained £135.5 to £8,020.5 a tonne. Page 23



● GOLD rose $13.5 in London to $433 after reports of a physical supplies shortage, and the overnight advance on the U.S. futures markets. Page 20

● STERLING was firm, rising to $1.832 ($1.829), DM 4.575 (DM 4.5625), FFr 10.885 (FFr 10.845) and Y422 (Y418.5). Its trade-weighted index was 91.3 (91.1). Page 20

● DOLLAR was steady, rising to DM 2.496 (DM 2.494), FFr 5.9475 (FFr 5.9325) and Y230.25 (Y229). Its trade-weighted index fell to 112.2 (112.3). Page 20

● EQUITIES reflected investment caution, with the FT 30-share Index down 3.8 at 563.3. Page 24

● GILTS were unsettled, and the Government Securities Index fell 0.36 to 64.32. Page 24

● WALL STREET was 0.29 higher at 924.66 near the close. Page 22

● FRENCH President Francois Mitterrand told his ministers to accelerate palns to stimulate the economy. Page 2

● ZIMBABWE'S real gross national product rose 13.9 per cent last year—three times the official forecast. Page 3

● UK AVERAGE PAY rises are down into single figures, but more overtime and less short-time working are boosting earnings in some industries. Back Page

● MAJOR GAS USERS in the North West of England will press the Government for special relief for big industrial consumers. Page 6

● BRITISH TELECOM was accused of presenting its latest price rise plans misleadingly. Page 5

● IRON and Steel Trades Confederation will withdraw its nominees to the BSC board's worker-director seats. Page 7

● W. M. STILL and Sons, the catering equipment company, will be investigated by the Office of Fair Trading under the Competition Act. Page 6

● BRITISH ENKALON'S Antrim fibres plant, due to close at the end of the month, will stay open until March next year with a smaller workforce. Back Page; Akzo profits halved, Page 19 and Lex, Back Page

● HOLIDAY INN will spend £345m on expansion outside the U.S., including at least 12 new hotels in Britain. Back Page; Pan Am hotels feature, Page 18

● BPC, the printing group, incurred a pre-tax loss of £8.12m (£6.54m) in the half-year to July 4, but expects to regain profitability next year. Page 16

● RICHARD CLAY, the book printing company, suffered a pre-tax loss of £682,000 in the six months to July 3, against a £334,000 profit. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Amalgamated Metal	357	+ 87	Excheq. 11¾pc 1984	£93⅞	− ⅛
Blue Circle	486	+ 10	Treas. 15pc 1990	£93¼	− ¼
Dufay Bitumastic	48	+ 4	Associated Dairies	198	− 6
Energy Resources	550	+ 37	Bowthorpe	200	− 6
Extel	245	+ 15	Clay (Richard)	47	− 5
Marshall's Universal	76	+ 5	Cornell Dresses	168	− 6
Pearson Longman	153	+ 5	Currys	192	− 6
Reliance Knitwear	20½	+ 3	GKN	162	− 8
Siebe Gorman	194	+ 4	Hampton Trust	27	− 6
Sirdar	218	+ 6	Provident Life	333	− 5
Squirrel Horn	32	+ 3	Reckitt & Colman	298	− 5
Sumrie Clothes	57	+ 6	Thorn EMI	487	− 8
Allstate Expln.	58	+ 7	Unilever	642	− 8
Durban Deep Gold Mines	£10½	+ 1¼	Wholesale Fittings	235	− 23
Kalgoorlie	435	+ 18	Berkeley Explan.	352	− 10
Marievale	175	+ 33	Shell Transport	400	− 10
Otter Expln.	68	+ 6	Haoma Gold	56	− 6
Poseidon	255	+ 7	Pahang Cons.	38	− 4
			SPO Minerals	27	− 5
			Santos	405	− 45
			Strata Oil	80	− 20

Washington protest over 'attack' by Libyan jets

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

U.S. NAVY "Tomcat" fighters shot down two Russian-made Libyan jets that attacked them over the southern Mediterranean at dawn yesterday, Mr Casper Weinberger, the Defence Secretary, announced in Washington.

The U.S. immediately issued a vigorous protest at what it called an "unprovoked attack in international air space," the first military action seen by U.S. forces since the Vietnam era.

Libya denied the U.S. version of the engagement, claiming that eight U.S. aircraft attacked the fighters, rather than the two which Washington said were involved.

The dogfight, which lasted only one minute, according to Mr Weinberger, took place over waters claimed by Libya 60 miles north of the Libyan coast, in the Gulf of Sirte.

The U.S. has been conducting naval exercises in the area, led by the giant aircraft carrier Nimitz, to make the point—not for the first time—that the waters are officially international.

The U.S. recognises only a three-mile national limit for naval exercises.

Mr Weinberger said the U.S. pilots had returned Libyan fire. Under the "international rules of engagement" an aircraft flight commander had the authority to defend himself under attack without necessarily having to refer to a superior officer.

President Ronald Reagan, who was informed of the action later, approved the pilots' action. Mr Weinberger said they had performed their mission "extremely well."

The Pentagon said the U.S. F-145 picked up the two Libyan SU-22 fighters on their radar screens when they were 30 to 40 miles away. They saw the Libyan aircraft, known in Nato as "Fitters," at a range of five to six miles.

At that point one of the Libyan aircraft fired an Atoll air-to-air missile and other closed to engage. The sophisticated F-145 replied with heat-seeking Aim-9 Sidewinder missiles with an 11-mile range.

In Washington officials said they believed the Libyans might have been out of the three-to-four mile range of their missiles when they fired.

But defence experts said they would never have had much chance against the Mach-2 Tomcat, the world's most advanced air combat fighter when properly flown. A naval official said the U.S. fighters had fired to deny the Libyans "the luxury of a second shot."

One of the Libyan pilots was seen baling out, Mr Weinberger said. But the fate of the two pilots was not known, nor was their nationality.

Defence experts believe that

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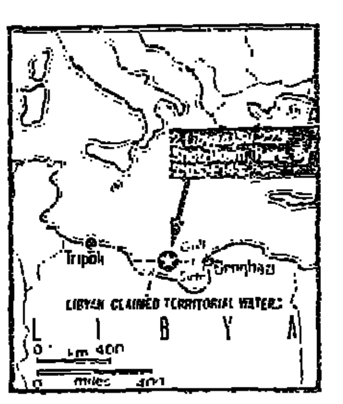
Details, Page 3



U.S. to probe 'surge' of steel imports

BY IAN HARGREAVES IN NEW YORK

THE U.S. Government has deployed the latest weapon in its armoury against steel imports by announcing that it will investigate alleged surges of imports for certain types of steel from six countries.

Prominent among the companies to be scrutinised is the British Steel Corporation, which could face a formal anti-dumping suit and countervailing duties if the allegations are upheld in the 90-day inquiry.

The U.S. Commerce Department is also looking at steel products imported from France, Spain, Canada, Romania and South Africa.

It says that the investigation is being launched as a result of automatic mathematical checks on steel import levels under the terms of the order signed by President Carter last October, when the Government reinstated the "trigger-price mechanism," setting a floor on foreign steel prices in the U.S.

The trigger price, established by reference to Japanese prices, determines the minimum allowable price for all imports of each steel product on to the U.S. market.

Under that order the President introduced a new concept, the so-called "surge mechanism," designed to protect the domestic industry against sudden influxes of product at times when domestic steelmills are operating at below normal levels of capacity.

According to the Commerce appear to be satisfied in the case of the following products. Structural shapes for use in consruction, from Britain and South Africa; sheet piling, also for construction, from Canada and the UK; carbon plate from Romania; and cold bars from France and Spain.

The Department has not yet named companies, but BSC is apparently involved in two of the three allegations involving the UK.

In the first half of this year foreign companies shipped 8.85m tons of steel into the U.S., compared with 8.2m in the same period of 1980.

This growth in imports has worried the domestic producers, especially since the Commerce Department announced last week it would not increase basic trigger prices in the next quarter.

This is especially worrying for the domestic steel mills at a time when they are themselves trying to force through another rise, ranging from 4 to 6 per cent, on the list price of most grades of construction steel.

Aanother complication is the fact that several European steel-

Continued on Back Page

Rail peace talks continue

By John Lloyd, Labour Correspondent

BRITISH RAIL and rail union leaders continued talks late last night in an effort to solve the dispute which threatens to bring a national rail strike from midnight on August 30.

Mr Cliff Rose, BR Board member for industrial relations, said it would be "the crunch day" as he went into negotiations yesterday at the Advisory, Conciliation and Arbitration Service. Mr Ray Buckton, general secretary of the train drivers' union Aslef said that if proposals brought forward by Acas were unacceptable, the strike would go ahead as planned.

Both Mr Buckton and Mr Sid Weighell, general secretary of the largest rail union, the National Union of Railwaymen, said they were not prepared to accept anything less than the full award of the Railway Staffs National Tribunal—an 11 per cent increase without productivity conditions.

The first meeting between the two sides on Tuesday at Acas ended after seven hours in which the two sides rehearsed their positions

The rail men have secured the support of the miners and the steelworkers—their partners in the "Triple Alliance"—for their action. Both have agreed not to allow coal or steel normally moved by rail to be carried by other transport.

Further support has been sought from the postmen's union, the UCW; the print distribution workers, Sogat; and the seamen's union, the NUS. The executives of the UCW and Sogat, which have been asked not to load mail and newspapers normally sent by rail on to road transport, meet next Thursday.

Mr Bill Keys, general secretary of Sogat, said yesterday that he would be "surprised" if the executive did not support the rail men.

Opec meeting hangs in the balance

BY RICHARD JOHNS, MIDDLE EAST EDITOR

SAUDI ARABIA'S effort to re-establish a uniform price structure for oil has received support from Nigeria, which said yesterday it would cut its rates.

But the outcome of the Organisation of Petroleum Exporting Countries' meeting was still hanging in the balance last night as the 13 members adjourned their negotiations until today.

Nigeria, usually one of the more hawkish members, said it would reduce its oil prices and fall into line with Saudi Arabia regardless of the outcome of the meeting. Alhaji Yahaya Dikko, the chief Nigerian delegate and presidential advisor on energy, said his Government's determination to lower rates for Nigeria's high quality crudes from $38.72-$40.02 a barrel to levels consistent with the Saudi reference price (currently $32 a barrel).

Nigeria has been particularly badly hit by the worldwide oil glut and competition from North Sea producers. North Sea prices, which are already related to the Saudi reference rate, are about $4.25 a barrel cheaper.

As a result Nigeria's output has fallen from about 2m barrels a da yin January to only 700,000 b/d. One delegate estimated that, even with a price cut, it would take Nigeria about six months to win back its market share.

Oil industry observers said it was an encouraging sign that Opec members had decided to meet again today even though there was pessimism in Geneva yesterday that Saudi Arabia's proposed compromise — based on a reference price of $34 a barrel — would be fully accepted.

Saudi Arabia came under heavy political pressure from other member states at yesterday's meeting. President Saddam Hussein of Iraq was understood to have been among Heads of State in contact with King Khaled urging acceptance of a basic reference of $36

The most likely level of compromise would be $35 per barrel if Saudi Arabia were to shift from its insistence that the reference should be no more than $34.

In the event of a failure to agree at this meeting, OPEC might split into two pricing groups until the end of the year, or the whole issue could be left in its muddled state until the next ordinary conference scheduled for Abu Dhabi in December.

Yesterday morning it appeared that the prospects for price reunification would founder on Venezuela's refusal to lower its reference price from its notional level of $36.

There were signs of irritation and indignation over the Venezuelan stance within the Saudi camp. The greater part of Venezuelan exports, about half of which are refined products, are said to be aligned with a reference closer to the $32 currently charged for Arabian light, the traditional Opec "marker."

The difficulties encountered at this consultative meeting seem to have arisen from a miscalculation or misunderstanding by Saudi Arabia. Its willingness to attend was based largely on a fair expectation of agreement.

£ in New York

	Aug. 18	Previous
Spot	$1.8235-8315	$1.8245-8285
1 month	0.78-0.85 pm	0.80-0.87 pm
3 months	2.15-2.25 pm	2.20-2.30 pm
12 months	6.45-6.65 pm	6.30-6.50 pm

Energy industry orders rise

BY RAY DAFTER, ENERGY EDITOR

A MAJOR UK trade association—the Energy Industries Council—said yesterday that its members had seen an end of the economic recession.

Export orders in the industry are 20 to 30 per cent higher than at any period last year, according to Mr Barry Bovey, chairman. Member companies were reporting a general increase in orders and in the number of hours worked by employees.

"A number of our members are working a full week with some even back on overtime. Whilst nothing staggering is happening, it is my view that we have passed the bottom of the recession," said Mr Bovey.

The council represents some 400 member companies employing between 300,000 and 400,000 people with a combined annual turnover of billions of pounds. As such it regards itself as a barometer of the UK economy.

Mr Bovey said it was significant that while business prospects were improving—and in some areas had been improving for the past three or four months—few companies were recruiting staff. "The improvements are being gained through higher productivity," he said. "I believe that the Government policies are beginning to work."

In a passing reference to the threatened rail strike Mr Bovey added: "I am deeply disturbed by the possibility of any major domestic strike. The news will immediately bounce around the world and will set back the efforts of exporters, whatever business they happen to be in."

The Energy Industries Council has grown out of the Council of British Manufacturers of Petroleum Equipment. The membership comprises British manufacturers, contractors, bankers and suppliers of equipment and services to the oil, petrochemicals, power generation, gas, coal, energy conservation and alternative energy industries.

Mr Bovey, a director of several energy equipment companies, said the council believed its membership represented one of the leading exporting sectors in the UK. The sector had secured a market share of over 70 per cent of the equipment and services required in the UK portion of the North Sea and an even higher percentage within the British coal industry.

Mr David Howell, Energy Secretary, said yesterday that he saw the revamped council opening new paths for British industry and services throughout the world.

Mr Ronnie Custis, until recently director general of the Government's Offshore Supplies Office—an offshoot of the Energy Department set up to promote the interests of British oil equipment manufacturers and service companies—has been appointed director of the council.

The recession may have flattened out, but any recovery over the next year looks likely to be modest, according to official indicators. Back Page

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Gallaher wins Ofrex bid battle

BY REG VAUGHAN

GALLAHER, the U.S.-controlled tobacco group, yesterday emerged victorious in the three-week-old bid battle for Ofrex, the London-based office supplies and industrial products group. Gallaher's rival suitor Dennison Manufacturing quit the fray and took a £3m profit on the sale of its Ofrex shares.

Gallaher, the American Brands subsidiary whose products include Benson and Hedges, Silk Cut and Old Holborn, delivered its knockout blow on Tuesday with a "final offer" up from 180p to 190p per share, valuing Ofrex at £37.7m.

The latest offer from Gallaher—the third increase in the bidding in 10 days—took it 20p above the offer from Dennison, a leading stationery products manufacturer based in Delaware. It brought to eight the number of bids Ofrex has received since Dennison started the auction at 130p per share on July 24.

Dennison, which had its three bids recommended by the Ofrex Board, decided it could not justify the price Gallaher was offering. Yesterday it withdrew its offer and sold Gallaher the 27.6 per cent shareholding it had accumulated in Ofrex, realising £10.4m.

With Dennison's withdrawal the Ofrex Board quickly recommended the Gallaher offer and sold through the market the 16 per cent of the Ofrex shares it controlled, which had previously been committed to Dennison.

Gallaher, which itself had accumulated a 14.6 per cent stake in Ofrex, announced that it would stand in the market to purchase any Ofrex shares available at 190p. There was no shortage of sellers and by about lunchtime Gallaher had acquired a total of 84 per cent of the Ofrex shares.

Mr Alfred Andrews, the Ofrex managing director, said yesterday: "They are fine people and are bringing a lot to the party." He said he was "very happy with the outcome."

Ofrex had been promoting the bids by Dennison solely because of what it described as "significant risks" of action being taken under U.S. anti-trust legislation in connection with a takeover by Gallaher.

Gallaher's parent, American Brands, also owns Swingline, a stapler maker with 65 per cent of the U.S. market, where Ofrex's Rexel stapler competes with about 4 per cent of the market.

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For latest Share Index phone 01-246 8026

France to speed up plans for boosting growth

BY DAVID WHITE IN PARIS

THE FRENCH President, M Francois Mitterrand, yesterday told his ministers to accelerate plans for stimulating economic growth in order to head off a steadily worsening unemployment problem. He called for a package of measures in favour of job-creating sectors, and in particular small companies, to be drawn up by September 15.

The decision, announced after the weekly cabinet meeting, comes as unemployment seems to be heading inexorably towards the 2m mark. July figures published this week showed the seasonally adjusted total rising to 1.85m, almost 26 per cent higher than a year ago.

The country's "national effort" on jobs required participation from business leaders, M Mitterrand said.

M Pierre Mauroy, the Prime Minister, outlined the main categories of measures that were envisaged to assist small companies. These were a clarification of what he termed "the rules of the economic game," efforts to overcome technical and financial obstacles standing in the way of companies which wanted to strengthen their capital base, and aid for innovation and job creation.

The scope of earlier measures aimed at small and medium-sized companies has already been extended.

In order to speed up the impact of special aid made available to small enterprises shortly after the Left-wing's general election victory in June, the Finance Ministry increased its loan ceiling and widened the range of eligible companies. Originally limited to companies employing 100 or less, the special aid is now being offered to employers of up to 500 in the craft, manufacturing and building sectors suffering immediate cash problems. The maximum for these state loans has been increased from FFr 500,000 to FFr 2m (£180,000) and the cut-off date for applications extend to the end of October.

Many small businesses will face a fresh problem next month with an automatic increase in the SMIC, the minimum national wage.

Following a sharp increase in the aftermath of President Mitterrand's election, the SMIC is expected to go up by about 3.6 per cent to just over FFr 3,000 a month.

This follows a sharp spurt in July inflation, reckoned to show a 1.7 per cent or 1.8 per cent rise over June, the biggest increase since the beginning of last year.

Economic growth is not expected officially to exceed 0.5 per cent this year. But the Government hopes to achieve a growth rate of about 3.3 per cent in gross national product next year through a sharply increased public spending effort, partly devoted to investment aids.

Figures published yesterday showed a small increase in industrial production in June, with the official index rising on a seasonally adjusted basis from 123 to 125, excluding the construction sector.

France's trade deficit widened last month to a seasonally-adjusted FFr 6.1bn (£560m), its worst result on this basis for over a year, writes David White. The shortfall partly due to the impact of a strong dollar on oil import costs has increased progressively after showing signs of an improvement in April. The July result compares with a FFr 5.9bn deficit in the previous month.

Netherlands coalition attempt collapses

By Charles Batchelor in Amsterdam

AN ATTEMPT to form a left-of-centre Government in the Netherlands finally broke down yesterday when the Christian Democratic Party rejected a compromise government programme.

Queen Beatrix is now expected to ask the Christian Democrats, as the largest party in Parliament, to make another attempt to put together a coalition Government. The left-of-centre combination, which the Christian Democrat, Labour and Democrats 66 parties have been working for since the end of May, was widely seen, however, as the most logical outcome of the general election.

The past few days have been marked by growing bitterness between the parties over social and economic policies.

Mr Dries van Agt, the Christian Democrat leader and Prime Minister-designate in the proposed Government, earlier warned his party that if they chose to go ahead with Labour and Democrats 66 he would refuse to become Prime Minister.

The Christian Democrats with 48 seats, Labour with 44, and Democrats 66 with 17 would together have had 109 seats in the 150-seat Lower House.

If Mr van Agt is asked to try again he is expected to ask his Liberal partners in the outgoing government and a number of smaller conservative religious parties to join him. Such a coalition would have 80 seats and could be expected to give stronger support to a Nato plan to modernise its "theatre" nuclear forces.

Labour and Democrats 66 were opposed to Nato stationing 48 Cruise missiles in the Netherlands as part of the alliance's response to the Soviet arms build-up. The Christian Democrats wanted to use the missiles as a bargaining counter in disarmament talks with the Warsaw Pact.

PARTY ACCUSES UNION OVER PRINT STRIKE

Solidarity 'trying to take over media'

BY LESLIE COLITT IN WARSAW

THE POLITBURO of Poland's Communist Party yesterday accused extremists in the Solidarity union movement of attempting to gain control of the country's mass media. Such "ambitions" had to be blocked, it said.

Mr Stanislaw Kania, the party leader, presided over the politburo meeting on the second and final day of a strike by Poland's printers which is without parallel in Eastern Europe. The stoppage has closed most newspapers in the country and forced the Communist party to publish a skeleton newspaper at an army printing plant guarded by troops.

Only 10 per cent of the normal number of copies of Trybuna Ludu, the main party newspaper, were printed in a four-page edition which was boycotted by newspaper distributors and vendors. Printers of the capital's main newspaper, Zycie Warszawy, which is distributed nationally, continued to "occupy" the printing plant and also did not produce a paper yesterday. The newspaper's journalists also supported the "days without the press."

Regional newspapers appeared in only five cities and towns, where printers belonging to the government-affiliated branch unions did not support the strike organised by Solidarity. Some 70 per cent of Polish newspaper printers, however, refused to work.

Solidarity said the printers had decided to strike because the fourth point of last year's Gdansk agreement, providing for the union's access to the media, had remained unfulfilled. Government attacks on the union, they said, have been intense in recent weeks.

Interviewed in the emergency edition of Trybuna Ludu, Gen Miroslaw Milewski, a former Interior Minister who was recently promoted to the politburo, warned that Solidarity wanted to "destable life in Poland" and to weaken permanently the state's authority. He said the union aimed at a situation in which "disintegration was followed by a gration was followed by a gradual taking over of power."

In a front page message Trybuna Ludu said that in spite of appeals, the newspaper was not produced by "our friends, the printers at the Polish publishing house." It said the paper was printed under "unusual and very often difficult conditions." Solidarity had acted against "freedom of the Press."

The only other Warsaw newspaper to appear was Zolnierz Wolności, the army publication, in a greatly reduced Press run. It said the strike would heighten tension in Poland and asked who had given Solidarity the right to "ruthlessly break the ties" linking millions of readers with their newspapers.

Mr Kazimierz Szlasa, head of the Solidarity printers' union at the Zycie Warszawy newspaper, said members of the party in Solidarity had been spoken to on the eve of the strike by Mr Stanislaw Kociolok, the First Secretary of the party in Warsaw. Although Mr Kociolok had urged them to call off the strike, Mr Szlasa said, all the printers had approved Solidarity's decision to halt the newspapers.

Solidarity members say the Government will come under mounting union pressure in the coming weeks and months. The union will back efforts by several political parties which have been formed to take part in regional elections in December. Those would be the first such multi-party elections not dominated by the Communist Party in any Warsaw Pact country.

Romania forces politician to give up party posts

BY PAUL LENDVAI IN VIENNA

THE ROMANIAN Communist Party leadership has forced Mr Leonte Rautu, a former deputy Premier, to resign from his party posts after some of his relations applied to emigrate. This is the first public case of a senior Romanian party official being purged because of his family.

Mr Rautu, 71, who was a member of the 27-strong political executive committee and head of the party academy, was the highest ranking Jew in Romania's party leadership. It is understood that one or possibly two of his daughters were seeking to emigrate, probably to Israel.

More than 350,000 Romanian Jews have emigrated to Israel since World War II and the Jewish community in Romania has dwindled to fewer than 40,000.

It is not only Jews who seek to emigrate. According to West German sources, four out of five among the 340,000 ethnic Germans want to go to Germany. Many from the 2m-strong Hungarian minority in Romania have tried to return to their home country without success.

President Nicolae Ceausescu is worried about the impact of the worsening economic situation and chronic shortages on the mood of the population and specifically on intellectuals. It is known that children of at least two ministers and a former deputy Premier have also defected.

Number of women at work in EEC rises

BY LARRY KLINGER IN BRUSSELS

THE PROPORTION of women in work out of the total EEC female population has risen from 27.5 per cent in 1970 to nearly 31 per cent last year, according to estimates issued yesterday by the European Commission.

However, growing unemployment meant that the increase in the number of people in work grew at a slower rate last year (0.3 per cent) than the total employable population (0.7 per cent).

Employment in the services sector was up in all countries, but fell in the industrial sector. This was primarily because of reductions in Britain of 4.1 per cent and in Belgium of 2.2 per cent.

Britain was the only EEC country where employment failed to increase as a percentage of total population last year.

The British ratio dropped to 47.1 per cent against 47.3 per cent in 1979.

The percentage increased, however, in the other nine EEC countries, to push the Community's ratio to 42.9 per cent from 42.3 per cent in the previous year.

The total population of the EEC was estimated at 270.9m, with the employable population amounting to 116.2m. The figures for Britain were estimated at about 56m and 26.38m.

Unemployment at the end of 1980 was 8m for the EEC, including about 2.2m in Britain. Latest official figures, to the end of May, put Community unemployment at 8.3m, with about 2.6m in Britain.

Turkes stands trial in Ankara

By Metin Munir in Ankara

Mr Alparslan Turkes, an army ex-colonel who has played a prominent role in Turkish politics for the past 20 years, went on trial for his life yesterday on charges of incitement to murder and instigating an armed insurrection.

The army, which seized power 11 months ago, has built a modern courtroom for the trial in the grounds of the Mamak military prison and detention camp on the outskirts of Ankara.

There are about 590 people in the dock along with Mr Turkes, including the leadership of his ultra-Right-wing Nationalist Action Party.

The military prosecutors have demanded the death sentence for 220 of them and between five and 20 years in jail for the rest.

The Turkes trial is a part of the military regime's attempt to come to a reckoning with political parties and terrorist organisations which it blames for the armed violence and chaos which all but precipitated civil war before the coup. It is also the most important evidence of the seriousness of their campaign to contain terrorism at all costs.

Military courts

There are 35,000 people in prison and thousands on trial in overworked military courts throughout the country. Those on trial range from trade unionists and politicians to terrorists and secessionists.

In Istanbul, the leaders of the country's second largest trade union confederation, the Left-wing Disk, have been awaiting trial in prison since the coup. In Eastern Turkey, about a thousand Kurds of Turkish extraction are on trial for secessionist activities.

Nearly 2,000 people have been rounded up recently on charges of belonging to the outlawed Communist Party of Turkey (TKP) in exile.

Lawyers often claim that the military gives them little access to their clients and their files and that the right of defence has been undermined.

Mr Turkes, a stern, diminutive 64-year-old with a pale complexion, bushy eyebrows and aquiline nose, was one of the chief figures of the 1960 coup.

He was subsequently purged from the junta that took power for harbouring dictatorial aspirations and sent abroad as a military attache. Upon his return he seized control of the small Nationalist Action Party, which he proceeded to run like an armed camp.

His nationalism, discipline and fanatic anti-Communism inspired many young people in urban slums and the desolate towns of Anatolia. He was their *basbug*—"commander" in Asiatic Turkish—and they his "grey wolves," named after the legendary beast which led Turks from the famine-stricken steppes of Central Asia to their present homeland.

Mr Turke's political star rose in the 1970s. His party became the fourth largest in the country and twice Mr Turkes served as Deputy Prime Minister in the Right-wing coalitions of Mr Suleyman Demirel.

This was a period of ineffectual revolving-door governments, corruption and sharp recession, in which state authority was eroded and political violence became a part of daily life. Thousands perished in massacres, hit-and-run murders and sabotage, and in gun battles between Left- and Right-wing extremists.

National anthem

The military prosecutors claim that Right-wing terror was organised and run by Mr Turkes and his party. It accused Mr Turkes of instigating armed warfare between various sectors of society with the intention of creating a Fascist dictatorship.

As Mr Turkes walked into the courtroom yesterday, wearing his customary dark clothes, the other defendants and his 130 lawyers rose to attention and sang the national anthem.

Mr Turkes will have an opportunity to defend himself after the roll call and the reading of the indictment, which will probably take a week.

He is expected to plead innocent, as he did in two letters he wrote to Gen. Kenan Evren, the head of state and chief of staff.

Before the trial opened there was speculation in Ankara that the generals would not dare put Mr. Turkes on trial because of fears of support for him in the Turkish army. Some pointed to the paradox in a right-wing junta trying a right-wing politician and an army officer to boot.

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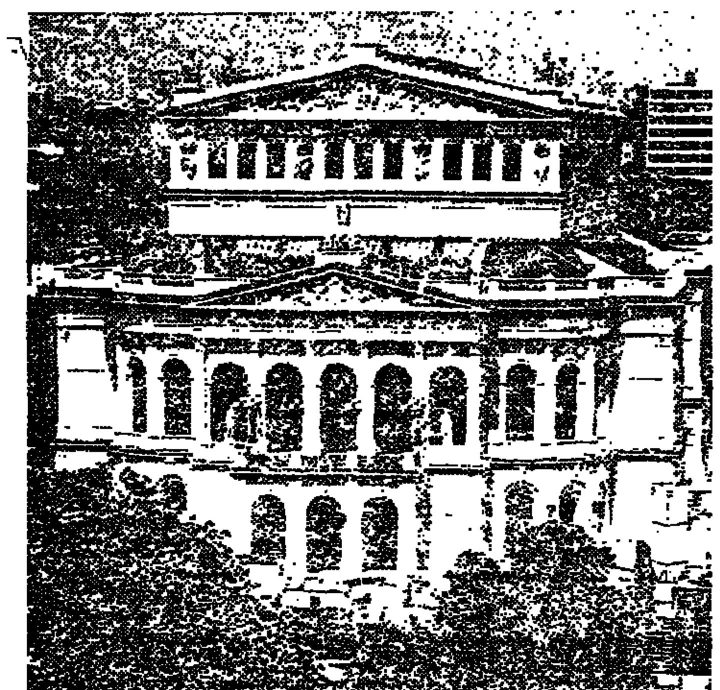
Curtain goes up on new life for Frankfurt's old opera house

BY KEVIN DONE IN FRANKFURT



● Frankfurt's "Alte Oper" (left): four decades of controversy at end

FOR MORE than 30 years Frankfurt's old opera house vied with Heidelberg's castle for the title of "West Germany's most beautiful ruin." But next week, after nearly four decades of controversy, the building starts life again, saved from the bulldozers by one of West Germany's first popular protest movements.

Built in the 1870s in a style and grandeur to rival the opera houses of Paris and Dresden, the opera house was destroyed in allied bombing raids in March, 1944, which left only the old facade standing.

Frankfurt developed rapidly after the end of the war, rebuilt in concrete and glass. One otherwise lyrical West German guide book admits that the city "has large sections that only a local patriot could call beautiful." But the ruin of the city's *Alte Oper* remained among the mushrooming office blocks, a thorn in the side of the city authorities.

Occupying a prime site in the city centre beside the emerging skyscrapers of West Germany's leading banks, the *Alte Oper* did not lack for schemes for redevelopment, ranging from multi-storey car parks to hotel blocks. One local Socialist politician, Herr Rudi Arndt, now a member of the European Parliament but previously both Economics Minister in the state of Hesse and Lord Mayor of Frankfurt, earned the nickname "Dynamite Rudi" for his offer to pay DM 1m from public funds to anyone who would blow up the opera house remains.

Frankfurt's pre-eminence as a business centre has not been achieved without social cost. In the early 1970s, in the wake of student riots, local government scandals and blatant property speculation, the city earned the description of being "ungovernable."

Dr Walter Wallmann, the present Lord Mayor and previously parliamentary business manager of the Christian Democrats in Bonn, admits that the city has some "catching up" to do in its cultural development. But his administration is pushing a number of prestige projects in Frankfurt

In helping to repair the city's battered image, the DM 150m restoration of the *Alte Oper* — completed in 1880—in the early years of the Second Reich as one of the best-known examples of Founder's Period public architecture — will, no doubt, be pushed into the forefront of the city fathers' publicity campaigns. But its place on the assets side of the city's balance-sheet has not been won without a struggle.

In the first trying years after the end of the War, the authorities were, understandably, more interested in devoting what funds were available to rebuilding shattered homes and to constructing schools and hospitals.

Also, from the end of the War right up to 1977, Frankfurt was a high citadel of Social Democratic power in West Germany, and many of the city's leaders were disinclined to devote public funds to rebuilding what some of their supporters still regard as a palace for the cultural élite.

The authorities were eventually forced to act, however, by the pressure of public opinion. This built up in Frankfurt and elsewhere in the country thanks to a succession of pressure groups dedicated to ensuring the reconstruction of Frankfurt's most important cultural landmark.

The campaign attracted prominent support, including that of Paul Hindemith, the composer, many of whose works received their first performance at the Frankfurt opera house in the 1920s. The level of popular backing can be judged by the enormous sum of DM 15m (£3.3m) that has been raised in donations since 1964. After years of controversial debate the city parliament finally voted in 1976 to support the reconstruction which has cost more than DM 150m.

Even in the 1950s it was clear that the building would never be restored as an opera house since alternative arrangements had been made in a modern theatre complex in the city. Instead, a series of plans were put forward to turn the *Alte Oper* into a concert and congress house, which the city lacked. The facade of the building has been faithfully restored to its former Italianate splendour, but inside only the old foyer and entrance hall have been reconstructed.

The rest of the interior has been rebuilt with a main hall seating 2,500 and several conference rooms and smaller concert rooms.

According to Herr Hilmar Hoffmann, the city's arts and culture director, the *Alte Oper* is "a symbol of bourgeois culture in the city which will attract many people to it, but which also risks alienating critical youth in the city."

Perhaps unwisely, the management has already staged a public demonstration of the facade's protective chemical coating which allows the easy removal of spray-can graffitti.

YUGOSLAVIA'S RICHEST REPUBLIC DEFIES BELGRADE

A victory against centralisation

BY PAUL LENDVAI, RECENTLY IN LJUBLJANA

THE RICHEST and most outward-looking of Yugoslavia's six republics, Slovenia, has fended off one of the latest federal government attempts at centralised economic management. The republic rejected Belgrade's efforts to impose a special tax on foreign travel last month, confirming the principle of consensus politics which has become more evident in the freer atmosphere of give-and-take since the death of Marshal Tito last year.

The people of Ljubljana, the republic's capital, unanimously spoke out against the tax of Dinars 1,500 (£21) on each foreign trip by Yugoslav citizens. Slovenia, on the border with Austria and Italy, was ideally placed for the popular Yugoslav pastime of slipping into neighbouring countries to buy goods such as coffee, detergents and lavatory paper in short supply at home.

Mr Egon Conradi, director general of the country's largest travel agency, points the finger at the thousands of Yugoslavs doing their shopping across the border as a big drain on the country's foreign exchange reserves. He says the 220,000 Yugoslavs on organised tours accounted for only 2 per cent of the $990m spent abroad last year.

The opposition of the Slovenes to the new tax underlined their reputation as outward-looking and economically progressive. They account for only 8 per cent of the country's 22m population and Slovenia is the second smallest of the six republics in area.

The republic accounts for some 17 per cent of the country's total GNP and 28 per cent of Yugoslav's hard currency export earnings. When the travel tax was announced it provoked the resentment among the Slovenes who already feel they are having to subsidise often unproductive investments in the south and the vast administrative and military machine in Belgrade.

They have also been critical of the government's latest economic measures which they see as panic moves which will not tackle the root problems of the economy. Yugoslavia already has run-away inflation of some 50 per cent a year and a blance of payments deficit certain to be larger than the $1.8bn projected for 1981.

Any attempts at foreign exchange controls to limit the deficit would hit the Slovenes more than most. Mr Pavle Hafner, the foreign exchange manager of the Ljubljanska Bank, said there were 1.9m hard currency savings accounts in Slovenia alone totalling $1.5bn. On the assumption that an average saver has three accounts (one for each currency) there must be 600,000 account holders in the rebpublic or every single gainfully employed person.

Slovenia has its problems—such as obsolete equipment in many plants—but its unemployment rate is much lower than in the country as a whole.

To underline the separate identity of Slovenia, the director general of a large hotel company on the Adriatic Coast said: "Freedom of travel and of possessing hard currency belong to our most cherished achievements, making us so different from the East bloc."

Another official remarked bitterly: "Our people have quietly acepted a 10 per cent cut in their real earnings last year and will face a similar drop this year. But to interfere brutally with their freedom of movement would be just too much."

In the post-Tito Yugoslavia the Slovenes are well aware of their ability to protect their own interests. Under the constitutional principle of consensus, Slovenia, in common with any other republic, can veto any federal bill seen as detrimental to its own interests. Slovenia has shown its determination to do just that.

A RUN on supplies of sugar and cooking oil has emptied shops all over Yugoslavia after proposals for big price increases were aired on national television, Alexsandr Lebl writes from Belgrade.

The Federal Cabinet held an emergency meeting in Belgrade on Tuesday after the Food Industry Association announced on television on Monday night that it was seeking increases of 125 per cent for cooking oil, 46 per cent for sugar and 33 per cent for milk. The Cabinet called the proposal irresponsible and announced that reserves of the products were adequate to meet demand.

Sales have now been limited to two kilos of sugar and two litres of oil per person at any one time.

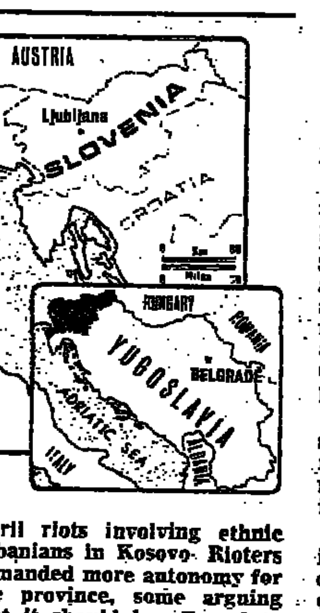
AP adds: A television reporter and eight other people have been jailed for up to 11 years on charges connected with nationalist riots last spring in the southern province of Kosovo, according to Tanjug, the Yugoslav news agency.

This brings to 99 the number of people publicly reported to have been sentenced in trials in Kosovo over the past month.

At least nine people were killed and more than 250 injured in the March and April riots involving ethnic Albanians in Kosovo. Rioters demanded more autonomy for the province, some arguing that it should be allowed to secede from Yugoslavia and join with neighbouring Albania.

Ethnic Albanians make up more than three-quarters of the population of the province, which is part of the Yugoslav republic of Serbia.

An Albanian newspaper yesterday accused Yugoslavia of a campaign against ethnic Albanians in Kosovo unprecedented in Europe since the Nazi occupation.



Brazil steel mill 'in jeopardy over finance'

BY ANDREW WHITLEY IN RIO DE JANEIRO

COMPLETION of the Acominas steel complex in Brazil—in which British concerns have a leading role—is in jeopardy unless substantial additional funds are made available in the near future.

Sr Moacelio Mendes, president of the company which is mainly state-owned, said estimated costs have already risen over $1bn (£548m) beyond the orignial budget. The revised budget is $4.53bn compared *with the original $3.45bn.*

Completion of the steel mill's first phase is now set for September, 1984, four years behind schedule.

In an appeal to the Brazilian Government for aid, Sr Mendes said the revsied schedule could *only be* met if "adequate resources" were allocated.

Up to the end of June, $3.88bn had been spent. But debts to local contractors and *foreign supplies have been* mounting, forcing a slowdown in construction in the past 18 months.

Davy Loewy, a division of the UK Davy Group, which is supplying the steel billet mill, say their unit should start up in March 1983, provided budget demands are met.

Government officials admit privately that they have little interest in pressing ahead with *Acominas — unlike another* major steel project, the Tubarao plant in which Kawasaki Steel Corporation of Japan and Finsider of Italy are shareholders.

In its first phase the mill is designed to produce 2m tonnes *a year of steel profiles, mainly* for the domestic market. There is little current demand for these products which would replace reinforced concrete in the construction industry.

Tubarao is an export project expected to produce 3m tonnes *a year of flat steel* products, starting late next year. Work there reportedly has been going on at full speed.

Sr Mendes was speaking to members of the Higher War College, an important political forum.

Overall construction of Acominas is said to be three-quarters complete, with most of the capital equipment imported. Progress has been slow recently because of the drying-up of government funds dispersed through Siderbras, the state steel holding company.

However, it seems likely that Siderbras's overall budget next year will be held down in cruzeiro terms to 70 per cent above that for 1981. Conservative estimates predict an inflation rate of nearly 100 per cent in 1981.

As a project of low priority at a time of government concentration of available resources on a few carefully selected areas, *Acominas is likely to continue* to suffer to a disproprotionately greater extent than other Brazilian projects.

Car manufacturers agree to halt mass dismissals

BY OUR RIO DE JANEIRO CORRESPONDENT

BRAZIL'S four largest vehicle manufacturers have agreed temporarily to *halt* mass dismissals. Employment in the vehicle industry has fallen by nearly one-third so far this year, posing a political problem for the Government.

At a meeting on Tuesday with Sr Paulo Maluf, the charismatic *Governor of Sao Paulo, the local* presidents of Ford, General Motors, Volkswagen, and Mercedes Benz agreed to suspend further lay-offs until the *end of October.*

In return, Sr Maluf offered to arrange additional export incentives for the four companies through the opening of special credit lines with the state-owned bank Banespa.

It remains unclear whether the pact includes the latest batch of dismissals, announced by Ford on Monday, in apparent breach of an agreement with the unions last month to halt *dismissals for 120 days. Of the* remaining 12,000 hourly-paid workers at Ford, 945 were due to lose their jobs yesterday.

Ford workers are threatening renewed strike action, if the *dismissals go ahead. But while* Sr Maluf was quoted yesterday as saying that they were excluded from the verbal understanding he arranged with the manufacturers, Ford itself appears undecided.

The limited nature of the agreement is underlined by the fact that it excludes two major *multinational manufacturers* with headquarters outside Sao Paulo state—Fiat and Volvo, as well as three minor vehicle makers within the area. Nor does it affect the programme of voluntary dismissals, being carried through by virtually all the vehicle manufacturers. At Volkswagen alone, nearly 4,000 jobs have been shed in this way over the past month.

One reason behind the pact announced by Sr Maluf is the fact that a major national labour conference begins in his state on Friday. It is certain to focus on the problems in the vehicle industry.

Civil Aeronautics Board chief to leave next month

BY IAN HARGREAVES IN NEW YORK

MR MARVIN COHEN, chairman of the Civil Aeronautics Board, will leave on September 15, it was announced *yesterday.* Mr Cohen, whose term as chairman does not expire until 1985, has made clear for some time his intention to return to practising law, *given that the board* is due to be phased out between October next year and the end of 1983.

His departure creates a *slightly tricky situation* for the Reagan Administration, which is expected to announce a replacement soon.

The Administration has said it backs airline deregulation, with which Mr Cohen has been closely associated, but it has *been under strong pressure* lately to curb what are seen as excessive and unnecessary liberal positions in opening up U.S. air routes to foreign carriers.

Leading international airlines such as Pan American, TWA and Braniff *have criticised* Mr Cohen's record on this score, and the worsening this week of the financial plight of Pan Am wil increase pressure on the Government to be tougher in negotiating air agreements with other countries.

Pan Am and the others blame *Mr Cohen and the Carter* Administration for undermining the profitability of their international routes by the concessions they have made to European, Far Eastern and Latin American carriers in the name of extending free market *principles in a once closely*-regulated industry.

A Department of Transportation working party is studying these issues, but it will be up *to the aeronautics board to* influence and implement any modification.

The board is to go out of existence because the almost complete deregulation of the domestic airline industry has eliminated most of its functions.

U.S. air safety under scrutiny

BY DAVID BUCHAN IN WASHINGTON

TWO FEDERAL agencies have started investigations into the safety of U.S. airspace in response to public concern, *here and abroad, that the air* traffic controllers' strike may have made travel in U.S. skies more hazardous than the Reagan Administration has *claimed.*

The National Transportation Safety Botard, which monitors travel safety and investigates accidents, has decided to launch *its own study, expected to take* eight weeks.

But the board is a purely national body and its views might carry less weight internationally. Mr Drew Lewis, the Transport Secretary, has acknowledged. So he has commissioned the Flight Safety Foundation, an international body based in the U.S. which promotes air safety, to to its own study, to be presented to the Federal Aviation Administration (FAA) within 90 days.

Portuguese air controllers, who steer traffic across the southerly Atlantic routes, ended their two-day boycott of flights to and from the U.S. on Tuesday night. Their action, which caused delays, was taken mainly in union solidarity with striking U.S. controllers. Earlier, Canadian controllers had blacked U.S. flights on the grounds that U.S. airspace was unsafe and the safety issue will be a major consideration when the heads of national controller unions *meet in Amsterdam* on Saturday.

The striking U.S. union, Patco, this week released a list of what it called recent near-misses *between aircraft in U.S.* airspace since the strike began more than two weeks ago.

The FAA has promised to investigate all such allegations, but denies the airways are now more dangerous. Two light aircraft collided in California this week in the only air accident since th estrike began.

Mr Lewis has also created a three-man panel to investigate what the Government itself acknowledges are bad labour re*lations between U.S. controllers* and their employers.

AP adds: *A federal grand jury* in Fort Worth, Texas, indicted six striking air traffic controllers yesterday, while a federal magistrate in Chicago cleared *the way for indictments to be* issued against seven others.

Richard Mackie adds from Ottawa: The International Civil Aviation Organisation is *developing plans to keep trans*atlantic air traffic moving during any future shutdown of the Gander air control centre in Newfoundland.

FT writers examine U.S.—Libyan relations in the wake of yesterday's clash in the Mediterranean

Business centres on oil

By Patrick Cockburn

U.S. BUSINESS interests in Libya centre on the independent oil companies which are the main operators of the oil fields and among the *largest purchasers of its* crude.

Occidental in the past has been buying some 160,000 barrels a day of crude from Libya in a venture majority-owned by the Libyan Government. Three other U.S. independent oil companies—Marathon, Amerada Hess and Conoco—form the Oasis group with the Libyan National Oil Company. Together, this is *the largest single* group operating in Libya.

Other U.S. companies operating in Libya include Amoco, Mobil and Exxon. All have been negotiating in Tripoli over the past three months to try to get the *Libyans to reduce the price* of their oil. Their operations in the past are believed to have left them with a high profit margin.

Since the Reagan Administration came to power, the oil companies have been *worried that the increased* hostility of the U.S. towards Libya would damage their position. Earlier in the year they were unsympathetic to a *State Department* suggestion that they withdraw some of their U.S. oil operatives for safety reasons.

Apart from oil trade with Libya has been largely dominated by the Italians, Japanese and West Germans, with *strong participation* by East European states such as Yugoslavia.

The UK has been eager to increase its exports to Libya as relations with Tripoli improved this year.

Japan bans fruit hit by Medfly

By Our Washington Correspondent

JAPAN yesterday refused to *accept any more fruit* and vegetable shipments from areas of California infested by the Mediterranean fruit fly. It did not carry out its earlier threat to embargo produce from the entire state, however, bowing to protests from the Reagan Administration and Governor Jerry Brown.

The U.S. Government said it was sending a team of *Officials to Tokyo to explain* the extent of the Medfly problem and what was being done by spraying to eradicate it.

Japan is California's biggest export market, importing $118m (£64.7m) worth of farm produce last year. But it has a sizable domestic farm industry, so far free from Medfly. The Tokyo Government has been pressed by its own farm constituency to take action *to stop any spread of* Medfly across the Pacific.

The Reagan Administration earlier criticised Governor Brown for his delay in ordering the aerial spraying of Californian orchards and fields but has now joined him *in efforts to contain* the economic damage to the state's $14bn a year farm industry from spreading further.

Federal and state officials are concerned that Japan is blocking imports of fruit and *vegetables from the Medfly*-infested areas of the Santa Clara and San Joaquin valleys, not just the main "host" species for the pest. It is hoped the U.S. team in Tokyo will manage to convince Japan that such a blanket embargo is unnecessary.

Governor Brown suggested *precipitate action* by Japan might bring retaliatory moves by California against Japan, which has major trading and tourism links with the U.S. west coast.

Texas yesterday renewed its suit to force the quarantine *of all California produce*

Uncle Sam seeks to swat the Libyan gadfly

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE U.S. has long been seeking for a way to teach Col. Muammar Gadaffi of Libya a lesson, preferably driving him from power in the process. But the *anti-Gadaffi* campaign has reached a new intensity under the Reagan Administration, which has labelled him "the most dangerous man in the world."

Col. Gadaffi fits neatly with President Reagan's view that one of the main dangers facing the world is Soviet-backed international terrorism. It is true that Gadaffi's arms come from the Soviet Union, and that Libyans *are well known* for engaging in terrorism—particularly since last year's ultimatum to Col. Gadaffi's *enemies* abroad to return home or face "liquidation." But Washington is almost certainly exaggerating the Soviet link.

Col. Gadaffi: "most dangerous man in the world"

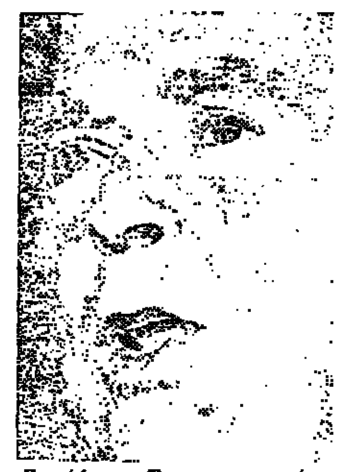
In May this year the U.S. closed the Libyan diplomatic mission and expelled its staff. It cited "a *wide* range of Libyan provocations and misconduct, including support for international terrorism." One motive was understood to be to preempt the sort of murders of Libyan exiles that have recently occurred in Western Europe.

The other step the Reagan Administration has taken is to arm the countries surrounding Libya—Tunisia, Sudan and Egypt. Sudan's credits for purchases of U.S. military equipment have been raised from $30m (£16.5m) to $100m and Tunisia is to get almost $100m worth of U.S. tanks. The Administration has made it clear that this is a deliberate anti-Gaddafi policy.

Washington maintains that yesterday's incident was unintended and unexpected. It knew, however, that the Libyans *laid claim to the sea and* air space where the exercise was taking place and that they had protested. This, in turn, made it even less appropriate to change the plans, Mr Caspar Weinberger, the Defence Secretary, said yesterday. It would have *meant tacitly acknowledging the* Libyan claim.

Since the days of the Carter Administration, the Americans have expressed public concern at attempts by other countries to encroach on international waters. Such efforts are, of *course, particularly alarming to* Washington when they take place in such a strategic area as the Mediterranean, the home of the U.S. Sixth Fleet.

There was a clear strategic objective to the manoeuvres, quite apart from the temptation to mount a direct political challenge to Col. Gadaffi. The Administration *remained* adamant yesterday that it was entitled to conduct manoeuvres in what are by law international waters and to return enemy fire.



President Reagan: arming Libya's neighbours

If there was a risk to the operation, it is the question mark that now hangs over the heads of the 2,250 or so U.S. citizens still in Libya, in spite *of State Department warnings* to leave. Most of them, however, are playing valuable roles in the country's oil industry. In the past, they do not appear *to have suffered from deteriora*tions in U.S.-Libyan relations.

But many of them feel vulnerable, particularly as there is no U.S. embassy in Libya to protect them. The embassy was burned down in December 1979, in the wake of the seizure of the *U.S. hostages in Iran.*

However much they dislike Col. Gadaffi, the Americans have so far failed to make much progress in dislodging him from power, or inhibiting his extravagant ventures in Africa and the Middle East. Mr Chester Crocker, the Assistant State Secretary for African Affairs, has denounced Col. Gadaffi as "probably the most potent and disastrous source of destablisation in Africa." *But after 12* years in office, the Libyan leader remains a gadfly that all the might of Uncle Sam has failed to swat.

Treaty is aimed at limiting Washington's influence

BY PATRICK COCKBURN IN LONDON AND JAMES DORSEY IN KUWAIT

LIBYA, Ethiopia and South Yemen signed a treaty of friendship and co-operation in Aden yesterday that *is primarily* aimed at limiting U.S. influence in the Middle East.

The agreement takes on greater significance than *expected because of the fighter* incident.

The Libyans, nervous of increasing U.S. hostility since the election of President Reagan, have been anxious to improve their relations with other North African and Middle *East states. Ethiopia's adhesion* to this grouping of radical states, all of which have close relations with the Soviet Union, is *regarded by some observers as significant.*

The radical Arab states have nevertheless, proved unable to put together a close-knit alliance to combat the influence of the U.S., Israel, *Egypt and Saudi* Arabia in the region.

When the "rejectionist front" was established in late 1977 to defeat the peace policy of President Anwar Sadat of Egypt, it consisted of Syria, Algeria, Libya, South Yemen *and the Palestine Liberation* Organisation (PLO).

This *week's radical summit* in the South Yemeni capital of Aden was attended only by Colonel Muammer Gadaffi, Libya's leader, President Mengistu Haile-Mariam of Ethiopia, and the summit host, President Ali Nasser *Mohammed.*

Visits to Damascus and Algiers by the South Yemeni leader failed to convince Hafez al-Assad, the Syrian President, and President Benjedid Chadli of Algeria, to attend. Mr Yasser Arafat, the PLO chief, decided it was not worth taking sides in the competition between *radicals and conservatives* in the Arab world.

Saudi Arabia has been nervous of what it sees as a growing radical threat to its Red *Sea flank from Ethiopia and* South Yemen, both of which have efficient armies. It had hoped to be able to employ the Awacs surveillance aircraft which it wishes to receive from the U.S. in this area.

Some of those not attending the summit may have feared the inclusion of a non-Arab Soviet *ally such as Ethiopia would* make the rejectionist front more vulnerable to criticism from the rest of the Arab world.

Col. Gadaffi has long been fearful of a joint attempt to overthrow him by the U.S. and *Egypt.* These fears have been given greater credibility by the election of the Reagan administration. He has, therefore, tried to create links with potential allies.

Earlier this year Libya backed away from its support for the Polisario guerrillas fighting Moroccan forces in the Western *Sahara. Diplomatic relations* with Morocco were restored.

OVERSEAS NEWS

Iranians hand over hijacked gunboat

By David White in Paris

FRENCH authorities yesterday succeeded in persuading the captors of the hijacked Iranian gunboat Tabarzin to go ashore and hand over the vessel, bringing to an end its six-day voyage in the hands of a monarchist commando.

But the conclusion of the day-long negotiations as the gunboat lay at anchor off a tourist beach in the south of France, still left a tangle of legal and diplomatic questions to be resolved.

The French Presidency announced late yesterday afternoon that all the occupants of the vessel, including the armed commando, had disembarked and the vessel was under the control of the French Navy in Toulon.

The gunboat, one of three that France handed over to the Iranians on August 1, would be made available to the Tehran authorities as soon as "necessary checks" had been made, it said.

But the return of the 250-tonne missile-carrying gunboat appeared unlikely to satisfy the Iranian authorities, which were also demanding extradition of the pirates who seized it off Spain last Thursday on its maiden voyage from Cherbourg.

The 30-strong Iranian Navy crew, all but two of whom were allowed to disembark on Tuesday off Marseilles, were yesterday put into contact with the Iranian chargé d'affaires before their return to Iran.

But the French Government said it would not expel or extradite the members of the commando.

The day's negotiations began as the vessel, still under the control of the commando, was towed from Marseilles along the coast to an anchorage near Toulon. Swimmers, windsurfers and water-skiers watched as the Navy twice sent out a tugboat for talks.

The negotiations were carried out between the local Navy commander and the leaders of the group. According to the Paris-based Azadegan organisation, which claimed responsibility, the leader was the former Iranian Navy chief Admiral Kamal Habibollahi.

The French Government had sent out instructions that the vessel should neither be taken by force nor be allowed to refuel as its captors had requested when they arrived in French waters on Tuesday.

Rivalry between Ashkenazi and Sephardic Jews splits demoralised Labour Party

Peres and Rabin urged to stop party infighting

BY DAVID LENNON IN TEL AVIV

THE ISRAELI Labour Party, which ruled the country for 29 uninterrupted years before losing the election in 1977, is now threatening to tear itself apart in the wake of its second electoral defeat, in June this year.

The leadership of Mr Shimon Peres is being challenged once again by Mr. Yitzhak Rabin, the former Prime Minister, and the ethnic rivalry between the Ashkenazi Western and Sephardic Eastern Jews in the parliamentary party exploded in brutal recriminations this week.

The country's Eastern Jews, who believe that discrimination by the European Ashkenazi leadership of the Labour Party is responsible for their continuing lower socio-economic status, have turned to Mr Menahem Begin's Right-wing Likud bloc in recent years. The ethnic divide was one of the dominant themes of the recent general election.

Mr. Yossi Sarib, the Labour Party's leading young Left winger, called on both Mr. Peres and Mr. Rabin to give up the leadership or end their feud, which had damaged the party's public image. "We have all had quite enough of the battle of the Diadochi," he said, referring to Macedonian generals who fought over Alexander the Great's empire after his death in 323BC.

"The party appears to be fuelled by an irresistible force for self-destruction," Mr Sarib said. "These Diadochi must be told now, that if they cannot devote themselves together and immediately to the party's ideological rehabilitation, they must relieve the party of the yoke with which they have burdened it."

But even more threatening to party unity was the revolt this week by the Labour Knesset members of North African and Eastern origin, who said they were being denied their fair share of seats on parliamentary committees.

The ethnic split, which appeared in Israel during the election campaign was sharply reflected in the Labour Party battle. One Knesset member, Mr Raanan Haim, who failed to win Labour nomination to the Knesset finance committee said the party was dovish, anti-religious and dominated by the Askenazi European Jews. "I won't eat your gefilte fish (a traditional Askenazi dish). It makes me puke," he shouted at his colleagues.

Almost all Sephardic members supported his sentiments and said that they would not continue to keep quiet about the Askenazi domination of the party as they had done during the election campaign. A number of them threatened to boycott the party's parliamentary activities, and others warned that the party could split over the discrimination they feel is being exercised against them.

Mr Rabin (left) and Mr Peres . . . both under attack.

Arabs agree to summit on Lebanon

By Ihsan Hijazi in Beirut

THE Lebanese Prime Minister, Chafik al Wazzan, returned here yesterday from visits to Saudi Arabia and Kuwait, and announced that his attempts to press for Arab states to hold an emergency summit conference to discuss the confrontation with Israel had been successful.

The Saudi Government has announced its agreement in principle to attend such a summit, while Sheikh Saad Al Abdullah, the Crown Prince and Prime Minister of Kuwait, said that fixing a date for the meeting was now under consideration.

Warning to Egypt over PLO

By Our Tel Aviv Correspondent

ISRAEL will withdraw from the talks on autonomy for the Palestinians living on the occupied West Bank and Gaza Strip if President Anwar Sadat of Egypt continues to insist on participation by the Palestinian Liberation Organisation (PLO) in the negotiations.

This was decided during a meeting yesterday of the Israeli ministerial autonomy team. It is also the message which Mr Menahem Begin, the Prime Minister, will deliver to the Egyptian President when they meet in Alexandria next week

500,000 leave Israel in decade

BY OUR TEL AVIV CORRESPONDENT

MORE THAN 500,000 Jews emigrated from Israel in the past decade, including long-time Israelis and new immigrants who decided to return to their countries of origin, according to a study recently prepared by the Ministry of Labour.

The departure of these emigrants, known in Hebrew by the derogatory term "yordim," which means "those who go down," is a slap in the face to the founders of the state, who saw it as a place where Jews could live, safe from persecution. The emigration of its citizens is even more discouraging for Israel than the failure of the country to attract more than 3.5m of the 14m Jews in the world.

Mr Simcha Erlich, Deputy Prime Minister, told the Knesset last December that emigration is the country's "most important national problem." A number of Government committees have studied the problem over the years, but their recommendations have had little effect.

According to the Ha'arepz newspaper the motives for leaving the homeland include "the continuing state of war, the deteriorating quality of life, the justified feeling that everything here is got the hard way, the lack of inspiration from a cynical régime of politicians and the corruption of communal values."

Israelis are also chagrined by the country's failure to attract but a small fraction of the hundreds of thousands of Jews who have been allowed to leave the Soviet Union in the past decade, ostensibly to settle in Israel. Recent statistics show that about 80 per cent of the Soviet Jewish emigrants prefer to go to the U.S. or other Western countries.

The new study, which is believed to underestimate the scope of the emigration problem, reports that 384,064 Jews arrived in Israel from 1969 to 1979. But 510,528 left the country in the same period. About half of the new immigrants leave within three years of arriving in Israel.

Zimbabwe GNP grows at three times official forecast

BY TONY HAWKINS IN SALISBURY

OFFICIAL figures released in Salisbury yesterday show that Zimbabwe's gross national product increased 13.9 per cent in real terms during 1980 — after the lifting of sanctions and the end of the guerrilla war. This is three times the official forecast of four per cent real growth made in Zimbabwe a year ago.

The figures show that gross national product, at constant 1965 prices, fell 12.5 per cent between 1974 and 1979. The 13.9 per cent rise last year means that real income is now virtually back to the peak levels recorded at the height of the UDI boom in 1974.

However, after taking the rapid growth of population into account, real income per head—which fell 25 per cent in the 1974-to-1979 period but increased almost 11 per cent last year — was still some 17.5 per cent lower in 1980 than in 1974.

The main source of growth last year was a 35 per cent surge in retail and distribution activity, accompanied by a 29 per cent rise in the value of industrial production.

Private consumer spending increased almost 30 per cent while investment rose 25 per cent. Net Government spending showed an increase of 25 per cent too and last year constituted 23 per cent of gross national product.

Balance of payments figures show a current account deficit of Z$165m (£125)—more than double the previous year's deficit of Z$76m. The capital account surplus, according to yesterday's figures, is Z$84.5m (£64m) giving an overall payments deficit of Z$81m, against Z$100m (£76m) in 1979.

Meanwhile, emigration figures for the first half of 1981 published yesterday show that 2,125 people left Zimbabwe in June—the second highest such monthly figure since independence in April last year.

In the first half of 1981, emigration increased 56 per cent to average more than 1,800 people a month as against last year's monthly average 1,430 people.

The bulk of those leaving are believed to be whites, but because of increased immigration (many of whom are returning black Zimbabweans) the net loss figure for the half year was 6,605—nearly 50 per cent more than last year and about 1,100 people monthly.

South African police arrest 2,000 squatters

BY J. D. F. JONES IN JOHANNESBURG

THE South African Government yesterday lost patience with the month-long confrontation over the shanty camp outside Nyanga, on the flatlands near Cape Town, and arrested 2,000 black squatters in a dawn raid.

The area was cordoned off by 100 police and the hymn-singing men, women and children were taken to jail in a fleet of trucks.

Dr Piet Koornhof, the Minister of Co-operation and Development who is responsible for black affairs, later confirmed that all the inhabitants of the camp had been arrested "to defuse the situation."

He said that it had become clear that the camp was increasing in size while a "war of words" had been going on between the squatters and the authorities; the squatters had been making demands which could only lead to confrontation.

A senior Opposition politician, Mrs Helen Suzman, immediately criticised the Government for using the "big stick" against the squatters. "This pattern is going to repeat itself over and over again, until the Government accepts that it has to plan for the inevitable urbanisation of people," she said.

It had become evident over the past few days that Dr Koornhof's offer last week of a compromise had produced deadlock. Following strong public protests at the desperate plight of the squatters, whose shelters had been torn down by the police, the Minister had proposed to regularise the position of those of the squatters who had work in the Cape peninsula and to try to find jobs elsewhere in the country for the others. But he refused to guarantee that the men would stay with their families and insisted that the Nyanga camp be destroyed.

This week the authorities have again refused to let the blacks stay in the area, while the squatters have refused to respond to the offer of jobs elsewhere.

The Government has therefor reverted to a hard line at a time when Parliament is meeting just a few miles from Nyanga and during a spell of fierce winter weather. Apartheid is under close international scrutiny after a visit by U.S. Congressmen and while the Springboks are attempting to continue their controversial rugby tour of New Zealand.

Reuter adds from Pretoria: Three members of the banned African National Congress (ANC) were sentenced to death yesterday for high treason. They were charged in connection with an attack on the Sasol oil-from-coal installation and other guerrilla raids, including one on a Johannesburg police station.

Pakistan arms deal 'a threat to India'

BY K. K. SHARMA IN NEW DELHI

MRS INDIRA GANDHI, the Indian Prime Minister, yesterday said that the U.S. decision to supply Pakistan with F-16 aircraft and other sophisticated weaponry in a $3bn deal was a threat to India. She said that the sub-continent was being forced into an arms race.

The tone of the Prime Minister's statements suggested that the progress made towards normalisation of Indo-Pakistan relations last June has been reversed and that fresh strains have developed.

Both Mrs Gandhi and Mr Shivraj Patil, the Defence Minister, told Parliament that the Government was taking steps to deal with the threat arising out of Pakistan's decision to acquire sophisticated arms but declined to give details.

It is known, however, that India is shopping in France and the Soviet Union for aircraft of the same capabilities as the F-16 and for other arms, in addition to improving defence production in the country.

Mrs. Gandhi's view was that Pakistan was taking the opportunity provided by the Soviet invasion of Afghanistan to re-arm itself, although the weapons acquired could never be used against the Soviet Union—the only target could be India. She felt that both U.S. and Soviet attempts to intervene in the region had led to instability, which threatened India's India's security.

WORLD TRADE NEWS

Exports boost for Swiss machine tools

BY JOHN WICKS IN ZURICH

SWISS EXPORTS of machine tools will rise in value by some 3 per cent this year if the current growth rate continues, according to the Zurich-based Organisation Wirtschaftsfoerderung.

Last year, sales to foreign customers went up by nearly 11 per cent to almost SwFr 1.5bn (£385m) despite difficult world market conditions.

As much as 90 per cent of total Swiss output machine tools output is sold abroad. With a labour force of over 19,000, this means a per-employee export figure of as much as SwFr 76,000.

The branch has worked traditionally with a high added-value component, and this is being strengthened by increased use of micro-processors and computers.

Leading markets for Swiss machine tools in 1980 were West Germany, with purchases of SwFr 344.6m, the U.S. with SwFr 158.4m and the Soviet Union with SwFr 136.6m.

Japanese ship orders show sharp fall in July

TOKYO — Foreign orders for Japanese ships in July tumbled by 266 per cent in volume from June, the Japan Ship Exporters' Association said yesterday.

The association said July orders came to 21 ships of 238,000 gross tons, compared with 31 ships of 632,000 gross tons in June.

The July orders represented a 33.9 per cent drop from the previous year.

Overseas orders for bulk carriers were especially slack last month, totalling only 11 ships of 172,000 gross tonnage, compared with 22 ships of 457,000 tons in June.

The association attributed this fall, in part, to a worldwide increase in bulk carriers, which has caused freight rates to fall and discouraged foreign owners from ordering ships.

An association official said, however, that Japanese shipbuilders overrall are not hard-pressed because they have a two-year backlog of orders.

Komatsu and Nissan Diesel Motor have jointly won a Y8bn (£19m), order from the Soviet Union for 800 trailer trucks.

The trucks have been developed to carry lumber in Siberian forestry projects, it said, adding that shipment would be completed by mid-1982.

Agencies

Exxon decides to invest £384m in Malaysian oil

KUALA LUMPUR—Exxon has invested $700m (£384m) in the development of Malaysia's oil resources and will spend as much again in further plans that have been approved for the next two years, Mr Clifton Garvin, the board Chairman and Chief Executive Officer of Exxon said.

In Esso's local bulletin, he predicted that the next decade will also see considerable Exxon investment in gas and gas-based projects. Malaysia has estimated its recoverable reserves of gas not associated with oil finds at 36 trillion (million million) cu ft.

"I would hope that our efforts will not only be to continue the development of oil resources commensurate with the nation's plans, but also to be included in plans for the development of the gas reserves as well," said Mr Garvin.

Malaysia produces about 270,000 barrels of crude daily through the Exxon and Shell groups.

Reuter

Cairo seeks UK help to make arms

By David Tonge

EGYPT is considering manufacturing heavy military weapons with British assistance. The Cairo newspaper Al Ahram said yesterday that an agreement had been reached for the joint manufacture of 105 mm and 122 mm artillery, but in Britain officials insisted that no such deal has been signed.

Lt-Gen Abdel Halim Abu Ghazala, the Egyptian Defence Minister, passed through London last week on his way back from Washington, and in July Maj-Gen Dr Gamal Al-Said Ibrahim, the Egyptian Minister of State for Military Production, made an extensive tour of the British Royal Ordnance Factories Organisation.

Egypt's factories at present turn out light arms and Egypt wishes to extend their range—though Britain does not produce a 122 mm weapon. Egypt has purchased seven $30m missile boats from Britain and jointly produces the Swingfire missile with British help. consensus on export finance. Reuter

GM of Canada in Egypt deal

OTTAWA—The Diesel division of General Motors of Canada has won an order to supply Egypt with 143 railway locomotives worth $155m.

Canada's Trade Minister, Mr Ed Lumley, said Egyptian railways will be lent C$109m (£48.4m) by the Canadian Export Development Corporation and C$26.35m by the Canadian International Development Agency to finance the contract.

The export development finance was being made at terms above the minimum interest rates under the OECD

Krupp's Spanish unit wins Chile cement deal

Friedrich Krupp of West Germany said its Spanish subsidiary, Polysius SA, has won a DM 46m (£10m) order to double the output at a cement works of Cemento Cerro Blanco de Polpaico SA, of Chile. Reuter reports from Essen.

Arabs criticise Mitterrand for opposing Israel trade boycott

BY IHSAN HIJAZI IN BEIRUT AND DAVID WHITE IN PARIS

THE MITTERAND Government in France has come under sharp criticism from the Arab business community over its recent policy decision to strengthen France's opposition to the Arab boycott against Israel.

Dr Burhan Dajani, the general secretary of the Beirut-based Federation of Arab Chambers of Commerce, Agriculture and Industry, has declared that by taking such a move France has forfeited her "privileged position" in the Arab world.

After a meeting by its 15-member executive committee, the Palestine Liberation Organisation sent messages to Arab heads of state calling on them to counter the French move.

The Mitterrand Government's decision to tighten French rules on anti-Israel boycott clauses has begun to cause serious concern as well among French construction and public works contractors who rely on the Arab world for a large part of their foreign activity.

The impact is felt all the more in this sector since a number of public works projects in French-speaking Africa are partly financed by Arab funds. Although there appears to have been no immediate instance of negotiations being broken off, industry officials says that French bids for some new contracts have been adversely affected.

The move reinforces a French law made in 1977, which opposes boycotts and provides for penal sanctions against companies which discriminate on national or racial grounds. For the past year, special dispensations were allowed under a circular put out in May last year by the then Prime Minister, M Raymond Barre, anxious to strengthen France's presence in the Arab world.

Bedford wins £7m Nigeria order

BY JOHN GRIFFITHS

BEDFORD has received initial orders worth £7m for 700 of its medium-duty TL trucks, which were launched on the Nigerian market yesterday.

The company, the commercial vehicles-producing subsidiary of Vauxhall, says it expects the TL to boost its Nigerian sales by about 10 per cent.

In the first six months of this year, 2,894 Bedfords were sold in Nigeria, which is the company's single biggest export market. It is also the truck market leader, with about one-third of all sales of trucks between 2 and 10 tonnes payload.

Bedford forecasts that TL sales in Nigeria could reach 2,000 a year by 1984. Most trucks are shipped in kit form for assembly by the motor division of UAC of Nigeria, which has a capacity of 7,000 trucks a year.

However, UAC is in the middle of a plant expansion programme aimed at lifting output to 12,000 a year by 1985. Bedfords represent the mainstay of its business.

The TLs being launched in Nigeria are mainly 12.5 to 16 gross tonnes two-axle rigids, though 48 are three-axle vehicles up to 22 tonnes.

Hanyang of South Korea has won two construction contracts worth about $177m from Nigeria's Sokoto state Ministry of Works. The 30-month contracts are to build 20 four-storey apartments at $105m and an hotel at $72m, both in Sokoto state.

Philippines contract awarded

BY EMILIA TAGAZA IN MANILA

A MULTINATIONAL consortium headed by Coppee Rust of Belgium is to build a $340m (£188m) phosphate fertiliser plant for the Philippines Government.

The consortium, including Mitsubishi Heavy Industries of Japan, Dragados y Construcciones of Spain, and the Construction and Development Corporation of the Philippines, won the deal after more than three months of negotiations with the Philippine Phosphate Fertiliser Corporation (Philphos).

Until early this month, Philphos, which is a joint venture between the state-owned National Development Corporation and the Nauru Government, was still carefully weighing the bids of the Coppee Rust consortium and the group of Sim-Chem of the UK and Marubeni of Japan.

Industry officials reported last month that Philphos was almost ready to favour the Sim-Chem group's original bid, but at the last minute, the group wanted to re-negotiate and increase its tender by $10m.

The winning companies committed themselves to support the project with export and supplier's credits.

The plant is scheduled to be on-stream by early 1984, and, at full capacity, output will be 350,000 metric tons a year of phosphoric acid and 153,000 metric tons annually of ammonium sulphate.

Philphos had earlier contracted long-term supplies of the plant's raw materials including phosphate rock from Nauru, Jordan and Morocco, and anhydrous ammonia from Indonesia.

British Telecom tariff increase plan 'misleading'

BY GUY DE JONQUIERES

BRITISH TELECOM was accused yesterday of presenting its latest proposals for tariff increases in a "highly misleading" way which greatly understated the likely impact on subscribers' bills.

The Post Office Users' National Council (POUNC) also criticised British Telecom for not providing a fuller and more convincing explanation of why the increases were needed.

British Telecom's main justification was that it had to meet the Government's financial targets. "This cuts no ice with customers," POUNC said. "They might be more impressed by some evidence of cost savings. This was notably missing from British Telecom's submission."

British Telecom has claimed that the rises, due to take effect in November, would increase customers' bills by an average of 9.5 per cent over a full year.

But POUNC warned: "Customers should not be lulled into a sense of false security over these increases. The averages are deceptive. Prices for some telephone calls will go up by leaps and bounds."

POUNC said the proposals would raise the cost of a one-minute local call by 43.5 per cent at peak rate and by 61.7 per cent at standard rate. The cost of a three-minute local call at standard rate would go up 115 per cent.

The council rejected as "grossly excessive" the proposal to increase by 250 per cent connection charges for inland leased circuits. The rise should be reduced and introduced in stages.

POUNC said the proposals, coming on top of two increases averaging 12.5 per cent and 20 per cent respectively last year, would result in a 50 per cent rise in customers' bills in less than two years.

It dismissed British Telecom's argument that its tariffs had risen by substantially less than retail prices since 1975 because it ignored the fact that charges had been almost doubled in that year.

The report is among the most sharply critical ever published by POUNC, a consultative body which has no powers to force a change in British Telecom pricing policy.

POUNC accepted that British Telecom was bound by the Government's financial restrictions and that it needed to realign tariffs to bring charges for individual services more into line with costs. But it argued that the latter exercise should have been started several years ago.

The report said British Telecom was not helping its relations with customers by giving an inadequate explanation of why tariffs should be raised.

"Many customers are convinced that British Telecom is overmanned, the staff are overpaid and there would be fewer and smaller price increases if it were not for excessive wage settlements."

POUNC welcomed some of the steps British Telecom had taken to face up to the prospect of freer competition in the telecommunications industry. But it warned that there was an obvious temptation for British Telecom to exploit areas, such as residential services, where it would effectively retain a monopoly.

Report casts doubt on tax assumptions

BY JAMES McDONALD

A BELIEF that the pay and tax levels of top management under the last Labour Government seriously affected incentives and economic performances is challenged in a report today from the Institute for Fiscal Studies.

The report also casts doubt on the present Government's policy, saying: "The large reduction in top rates of tax and abandonment of pay restrictions on the highly paid made by the Conservative Government after its election in 1979 are likely to have little beneficial impact on British industry's performance."

The report is based on a survey held in 1978 of 94 mainly manufacturing companies accounting for about 20 per cent of British manufacturing employment—nearly 10,000 senior managers.

"Companies surveyed for the report said there had been very little impact on their ability to retain, recruit or transfer the managers required to fill senior positions," the report says.

"Even in the areas of top managers leaving the UK, and transferring senior staff back home from abroad, British companies said they had experienced very little difficulty, in strong contrast to widely held opinions at the time."

In the second half of the 1970s, the report says, it was widely believed that the then Labour Government's policies on pay and taxes were causing serious harm to British industry through their effects on top managers and that people qualified for such jobs were being lost to overseas competitors.

The survey found that companies reported very few cases of serious difficulty in filling senior vacancies because of the net value of pay they were able to offer. Generally they were able to attract suitable candidates to vacant senior positions.

In 1976 and 1977 only 29 out of 1,197 senior staff departures covered by the survey were regarded by the companies as difficult to replace satisfactorily. A third of the cases were caused by death or illness.

A third of the companies in the 1978 survey claimed that senior staff motivation had fallen in the previous five years but the report found that there had been little change in senior staff performance.

The number of senior staff who left the UK to take positions abroad — whether for a British company or not — represented less than 1 per cent per annum of the total number of top managers employed in the UK.

The report is from G. C. Fiegehen, a former senior research officer at the institute, and was writen in collaboration with Professor W. B. Reddaway of Cambridge University, one of three economists who earlier this week criticised current government policies.

Companies, Incentives and Senior Managers, by C. G. Fiegehen with W. B. Reddaway, Oxford University Press, £12.

Cadmium limits attacked

BY ELAINE WILLIAMS

A LORDS select commitee today criticises EEC proposals to control pollution caused by the metal cadmium.

The committee accuses the EEC of setting "unrealistic and arbitrary" limits on the amount of cadmium which can be dumped into rivers, sewers and streams.

The EEC is setting limits which the industry is able to achieve instead of those necessary to reduce damage to the environment, the committee says.

The proposals exclude regulations on the discharge of cadmium during the manufacture of phosphoric acid—a major source of cadmium waste.

The committee says there is no way of removing cadmium in this process but this does not excuse manufacturers from failing to reduce the emission of cadmium.

UK resistor industry is 'too fragmented'

BY ELAINE WILLIAMS

RATIONALISATION and increased investment in a vital sector of the electronics components industry has been urged by the National Economic Development Council.

NEDC's electronic components sector working party, says that the UK's £50m a year resistor industry is too fragmented with more than 35 companies in the market.

Resistors, which come in many shapes and sizes, are used in every electronic product and some of the smaller resistor manufacturers specialise in just one type.

The NEDC admits that the scope for rationalisation in the industry is limited, but calls for the Government to encourage this where possible.

Investment in automation to improve productivity and quality is also needed. The working party says the investment is needed so that UK makers can compete with U.S. and Japanese makers which dominate resistor technology.

Seven of the larger companies who manufacture in Britain are U.S. owned: Allen Bradley, Beckman, Bourns, Electrosil, ITT, Littlefuse and Spectrol Reliance.

The size of the world market for resistors is not expected to expand significantly in the foreseeable future, and the SWP says that the large foreign resistor makers will try to increase their market share at the expense of the smaller UK makers.

UK manufacturers' small size makes it difficult for them to raise the funds necessary for development programmes and capital investment to make them more competitive, the SWP says.

Scottish country dancing sets the world reeling

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

The Royals

Royal Scottish Country Dance Society

by Anthony Moreton

THE MUSIC starts. The men bow to their partners. The top couple link hands and the dance is on. It's a reel.

The first man, like all the men, is wearing Scottish day dress: white shirt, clan tie, kilt, high socks and ghillies, a form of dancing shoe. The women are in ordinary day dresses. In Scottish country dancing the men are the peacocks.

The reel is replaced by a jig, the jig by another dance in quick succession. This is the Younger Hall at St Andrews and the occasion is one of the evening dances of the Royal Scottish Country Dance Society, which is holding its month-long summer school in the university city.

In one of the sets—the dancing is done in four-couple sets—there are four Japanese, the men quite resplendent in kilts.

However, one of the Japanese, who is wearing a Buchanan kilt, has not got it quite right. A kilt must repeat the pattern of the straight front in the pleats at the back.

He has obviously had his kilt made in Japan and the folds have been wrongly pressed so that the pattern and colours at the back bear little relation to those at the front.

The result is that he is pure Buchanan in front and pure Christmas cracker at the back.

Next to the Japanese is a Franchman in a Mackenzie tartan and nearby are a Swede in a Cameron and a German in a Lovat.

Last year, among the 863 people who attended the school, there were 66 Americans, 58 Germans, 37 Swedes, 33 French and 32 Canadians.

There was also a Saudi Arabian couple, a couple from Korea and a Kenyan.

Scottish country dancing is now popular in some unlikely far-flung places.

The Kyoto and Osaka Scottish Dance Club held a Christmas party, at which the Scottish flag flew alongside the Rising Sun. Lo Man Yui, known to his kilted friends as Andy, teaches Scottish dancing in Hong Kong, and there is even a dance team among the Gurkha Engineers.

At a senior instruction class I attended, Duncan Macleod, the director of the summer school, was on the stage teaching the Earl of Mansfield, a dance named after the society's president.

"First man with other couple .... Continue in reel with partner beside you ... At end of reel first couple in top place ... Third couple in third place looking towards centre of set ... Only first and third men ..."

Duncan Macleod has attended the summer school every year since 1947. This is the 49th year the school has been in St Andrews and everyone is looking forward to celebrations next year, even though this year's school is, officially, the 50th. The first school was held in Edinburgh.

He is a teacher of physical education due to retire soon and Scottish dancing was part of his course at Jordanhill, then a teachers' training college, in 1940.

To him, Scottish country dancing (and country is synonymous with "national" rather than "rural") is part of the country's heritage.

"The college now has a four-year course but dancing is not a compulsory part of the curriculum which is a great pity. You see, country dancing is part of our social heritage, and it ought to be kept alive.

"Unlike in England or Wales it has also been something that everyone did. In the old days, when the clan system ruled, Scottish dancing belonged to all levels of society. The chief participated as much as the lowliest worker.

"In England dancing tended to die out at court and, in time, it died out among the merchant and middle classes. Only the workers kept it alive and turned it into 'folk' dancing and 'folk' music.

"That never happened with us and even when the pipe was banned after the Jacobite Rising of 1745 the fiddle came to take its place. If you look at those who come to the summer school today, or form the groups around the country, all levels of society are represented."

Today the society has more than 25,000 members and the numbers are going up all the time. There are 128 branches since Detroit and Buffalo joined last year, and another 367 affiliated groups, including one in Fiji, one in Indonesia and one in Papua New Guinea. Then, of course, there is Andy in Hong Kong.

Now the pipes are also being taught at the summer school under Mr John Johnson (clan Johnston) who brings with him the soft brogue of his native Bangor in Northern Ireland.

"It's a very difficult instrument to learn," he says, "partly because it reacts to the weather. But I've got several enthusiasts and they are doing well." Of course, the Japanese are among them.

Mr Duncan Macleod instructs Japanese students at the Royal Scottish Country Dance Society summer school

Bank gives more money market information

By Peter Riddell, Economics Correspondent

THE BANK OF ENGLAND will provide more detailed information about its money market operations from this morning as part of the changes in the system of monetary control.

In particular, the Bank will give figures for the size of its operations instead of the current practice of a scale expressed in words. The Bank will also indicate at what interest rate it dealt in the markets and the bands of maturities of the bills.

Band one will be up to 14 days, band two from 15 to 33 days, band three 33 to 63 days, and band four from 64 to 91 days.

The Bank will forecast flows in and out of the money markets each day.

As part of the changes, Minimum Lending Rate will be suspended. This has caused controversy because of its use in legal documents and contracts. Discussions are continuing with the Law Society about an alternative reference rate.

Mr Richard Wainwright, the Liberal Party's economic spokesman, yesterday called on the Chancellor of the Exchequer to keep MLR pending autumn legislation to substitute a different rate for statutory and commercial documents.

Mr Wainwright warned that unless such action was taken a number of major loan agreements, where the rate of interest was expressed by reference to MLR, would be legally inoperative.

The problem could be reduced where contracts refer not to MLR but to the base lending rates of a particular bank, which remain in existence.

Factoring business falls 3.8%

By Gareth Griffiths

THE DEPRESSED state of manufacturing was reflected yesterday in a fall in factoring business in the first six months of the year, in spite of an increase in the number of companies opting to have their debts factored.

The Association of British Factors, covering eight companies, said yesterday that volume of business in the first half was £927.6m, a fall of 3.8 per cent against the same period last year, when the figure was £963m.

Mr Roger Pilcher, chairman of the association and managing director of Credit Factoring International, said the decline reflected the lower level of business experienced by clients, but new business remained strong.

The number of clients went up from about 2,000 to 2,494.

"The need for the sales ledger administration, credit control, collection and cash-flow benefits from factoring are likely to be increasingly called upon as companies move out of the recession," he said.

The eight factoring companies have reduced the average payment period by their clients' customers to 60 days, against 63.5 in that period last year. Value of bad debts at £1.4m remained the same as in the first half of 1980, but bad debts absorbed by the factors on behalf of their clients rose by 57 per cent, from 726 to 1,140.

All eight factors involved are linked to clearing banks or major financial institutions.

The factors purchase trade debts, provide working capital and take debt risk in exchange for administrative fees.

Most clients are smaller companies, though subsidiaries of some major groups also use factoring services.

Scottish accountant

IT WAS stated in yesterday's paper that the Institute of Chartered Accountants of Scotland had expelled Mr Christopher Duffes Reynolds. We have been asked to clarify the position. The Institute has excluded him from membership.

North West gas users press for price relief

BY DAVID CHURCHILL

MAJOR industrial users of gas in the North West are to press the Government to give special relief to large gas users.

The 25 companies which include Pilkington Brothers, Rockware Glass and Leyland Vehicles have formed a pressure group and want a meeting soon with officials from the Departments of Energy and Industry. The 25 will give details of the "increasing frustration at the lack of understanding by the Government and British Gas at the serious problems facing large energy-intensive gas users."

They will warn that further jobs could be lost in an area of already high unemployment. Process gas prices have risen by 70 to 80 per cent in the past two years and the companies say that because of the recession it has been impossible to pass on costs through higher prices.

The 25 also believe that the aid announced in the Budget to help large gas users has not proved effective. The £168m package has been distributed across all gas contracts without giving preference to large users, they say.

"We are left with the ludicrous situation that larger users in our group using millions of therms per annum are paying 29.3p per therm for process gas, yet small industrial and commercial users are paying the published tariff rate of 27.2p per therm. The commodity rate to domestic users is 24.8p per therm."

The North West group's proposals to the Government include:

- maintaining present gas price levels throughout 1982;
- prices for process gas to be related to fuel oil rather than premium oil fuels such as gas oil;
- discounts should be related to quantity and load factor;
- greater flexibility in the amount of quantities supplied on contract;
- less stringent conditions attached to interruptible gas contracts;
- low interest loans or grants from Government sources for energy conservation projects.

The 25 have already tried to influence the Government through normal trade association channels—without success. They maintain that, as the largest users of gas in the north-west, "we have a special case in a vital situation in a critical area."

Oil companies' views sought on North Sea gas pipeline network

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT has begun sounding out oil companies for their latest views over the proposed £2.7bn North Sea gas gathering pipeline network, in a bid to speed offshore development.

The exercise is aimed at solving the problems over financing arrangements which are frustrating the development of the project. The exploitation of a number of fields is linked to the pipeline scheme.

Mr John Liverman, who retired last year as deputy secretary in the Energy Department, has been appointed to conduct the inquiry and to undertake a speedy round of discussions with potential users of the pipeline system.

He is expected to report back to Mr David Howell, the Energy Secretary, and the British Gas/British Petroleum/Mobil steering committee within the next few weeks.

The Energy Department said yesterday that Mr Liverman had been appointed as "an honest broker" because of his experience and knowledge of the North Sea industry. Mr Liverman, who was one of the original directors of British National Oil Corporation, is writing an official history of the Energy Department with particular emphasis on its role in North Sea oil and gas development.

The department said that Mr Liverman had been appointed to assess the latest positions of oil companies. "He is neither a mediator nor a negotiator."

The information gathered by Mr Liverman could be crucial to the future of the pipeline project as now designed.

A number of companies, considered by the Government to be potential investors in the project, have made it known that they and their bankers would not be prepared to put money into the scheme without some form of Government guarantee. Such a guarantee has been opposed by the Treasury because of the implications for the public sector borrowing requirement.

British Gas Corporation, which is likely to hold a substantial stake in the pipeline, has told the Government that it would be prepared to provide guarantees.

Government officials are thought to have been looking at ways in which guarantees could be provided without having an immediate impact on the PSBR.

It is thought likely that Mr Liverman will also assess the industry's views about the proposed lay-out of the pipeline network. The line is due to extend about 350-400 miles from the Murchison Field in the northern part of the North Sea to the Lomond Field in the south.

An east-west trunk line — linked to the gathering system about 160 miles north-east of Aberdeen — would carry dry gas (methane) and gas liquids to the St Fergus terminal near Peterhead, Scotland.

Some companies have privately expressed reservations about the need for such an extensive network. They feel that existing gas pipelines — which are likely to be under-used in the late 1980s and 1990s — should be used.

Unit trust sales boom continued in July

BY TIM DICKSON

UNIT TRUSTS are continuing to enjoy the biggest sales boom in their history, according to figures from the Unit Trust Association released yesterday. Sales in July amounted to £71.02m, which after repurchases (units cashed in) of £39.85m left net new investment of £31.17m, the highest July total ever.

Last month's results compare with sales of £110m and net new investment of £76m during June. June's sales, however, were swelled by the £23.3m unitisation of an investment trust. Furthermore July, as a holiday month, is traditionally less exciting.

The July results once again demonstrate the success of the unit trust industry this year in attracting new money from private investors. Sales for 1981 total more than £610m so far, and net new investment almost £355m, totals which in seven months already exceed the best previous year. The value of all unit trust funds is now more than £6bn.

According to Mr Mark St Giles, chairman of the Unit Trust Association, overseas trusts have been the most popular in the past six to nine months. "People no doubt felt that sterling was overvalued and decided to diversify outside the UK. It is good to see that they have been rewarded," he said yesterday.

"In the last month or so, however, my feeling is that there has been greater interest in the domestic funds."

Asked about the Stock Exchange investigation into stockbrokers Halliday Simpson and the suspension of two directors of Arbuthnot Securities, Mr St Giles said most unit trust groups had strict internal rules governing personal dealings by fund managers—more stringent than the code of practice of the Council for the Securities Industry.

The UTA figures also showed that unit trust linked investment accounted for 27 per cent of the total value of funds at the end of July, against 28 per cent at the end of July 1980.

Building orders fell in second quarter

BY MICHAEL CASSELL

NEW ORDERS for construction work in Great Britain kept falling in the second quarter of the year, according to Government figures published yesterday.

Recent suggestions that the recession in the construction industry was over were quashed by a report from the National Federation of Building Trades Employers which said that the industry's order books were still dwindling, and that the latest statistics provided no grounds for encouragement.

According to the Department of the Environment, new orders in June were worth £997m at current prices, bringing the second-quarter order total to £2.74bn.

On a constant 1975 price basis, second-quarter orders represented a 5 per cent drop on the first three months of 1981, though they showed a 1 per cent improvement on the same period a year earlier.

The official figures show that most sectors of the construction industry continue to feel the impact of the recession.

Conracts for public-sector housing in the second quarter fell by 5 per cent from the first and were 26 per cent down on April-June 1980, alue of new private housing work fell by 8 per cent from the first quarter and by 3 per cent from a year eariler.

Contractors' orders in the public sector were down 13 per cent on the first three months of 1981, but showed a 4 per cent rise over the same period a year earlier.

Private industrial orders showed a 6 per cent increase over January-March, but were 25 per cent lower than a year ago.

Private commercial orders, consistently the most buoyant construction market, rose by 4 per cent from the first quarter, and were 30 per cent higher than in the second quarter of 1980.

Operation Nudger prompts VAT deal

By Tim Dickson

EIGHT amusement arcade operators yesterday pid over £2.7m to the Commissioners of Customs and Excise—thereby ending Britain's biggest ever VAT fraud investigation.

The investigation—codenamed Operation Nudger after the "Nudge" button on fruit machines—took several months and involved undercover men keeping watch on arcades in London's West End and one in Blackpool.

Yesterday's settlement, announced at Horseferry Road Court in London, followed representations by solicitors on behalf of the eight men involved, who had been charged with evasion of VAT. Under Section 152 of the Customs and Excise Mnagement Act 1979 the commissioners are empowered to stay criminal proceedings if an offer of settlement is made.

Mr Alan Hughes, the Customs Solicitor, said the fraud involved the suppression of about £10m in takings from amusement machines, which included space invaders and fruit machines.

The first the defendnts knew of the investigation was when bout 100 VAT investigators carried out a series of raids in London in March. The men were charged nd were due ato appear in court again in October.

Mr Hughes told Mr Edmond MacDermott, the magistrate, that the powers to stay proceedings were used very rarely but were considered appropriate in this case.

The eight men, all directors, were: Martin Jerome Bromley, 62, of London, James Lewis Humpert, 70, of London, Richard Davant Stewart, 56, of London, Hasmukhray Lalji Premchand Shah, 38, of Harrow, Middlesex, Vasant Kumar Lalti Malde, 32, of Stanmore, Middlesex, Alan Rawlinson, 36, of London and Scott Ray Dotterer, 30, of Lytham St Annes, Lancashire.

The following seven companies were considered to be directly involved: Piccadilly Amusements, Atlantic Amusements, Family Leisure, JWD Amusements, Aladdin's Castle, Big Game, F. Peeney and Sons. These are all understood to be connected with a Panama-based company, Club Speciality (Overseas) Incorporated.

Head-on TV drama clash averted

By Arthur Sandles

THE BBC and ITV have decided to avoid a head-on clash between their two most expensive drama series this autumn. A gentlemen's agreement has been reached which will put the BBC's £2.3m Borgias on a different night from ITV's £4m Bridehead Revisited.

So great is the money involved that neither channel wanted to risk its effort being the one which no one watched. There were no formal talks but the two sides discreetly let each other know which nights they would like to use.

Money has therefore talked where common sense had failed. The two organisations have firmly resisted outside suggestions that there should be greater co-operation between the two in order to avoid clashes.

The arguments have tended to centre on ITV suggestions that there should be alternation over important sports events and royal occasions rather than both major channels offering the same thing. The BBC has steadfastly refused to do this.

The Borgias is a 10-hour series based on the life of the 15th century Italian family. Brideshead Revisited is a Granada production of Evelyn Waugh's classic. Lord Olivier is among the cast.

Catering equipment company faces probe into trading practices

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE TRADING practices of W. M. Still and Sons, part of the catering division of UKO International, is to be investigated by the Office of Fair Trading under the Competition Act.

The investigation will be the fifth to be carried out by the OFT under the powers which enable it to investigate any alleged anti-competitive practice carried out by a single company.

The investigation also includes an associated company, W. M. Still Service.

Although the OFT does not specify the alleged anti-competitive practice involved, it is understood to have followed complaints over W. M. Still's policy when supplying spare parts for its catering equipment.

The OFT has to decide whether or not W. M. Still's supply policy — which allegedly discriminates between certain users and servicing agents — is likely to distort competition in the catering equipment market.

No time limit has been set for the investigation's completion. Based on the OFT's past performance, it is likely to take several months. An inquiry into Petter Refrigeration for carrying out similar trading practices took nearly a year to complete.

UKO International is a major company within the ophthalmic industry. The catering equipment division had sales of £13.1m in 1980-81 compared with £12.6m in 1979-80.

The OFT has two other investigations under the Competition Act to complete—into the Sanderson wallcoverings company and Sheffield Newspapers.

Electricity meter makers drop pricing agreement

BY OUR CONSUMER AFFAIRS CORRESPONDENT

A PRICING agreement operated by four major manufacturers of electricity supply meters has been abandoned following pressure from the Government.

In addition, the area electricity boards are to change their meter buying policies to reduce the cost of meters.

The moves were announced yesterday by Mrs Sally Oppenheim, Minister for Consumer Affairs. They follow a Monopolies and Mergers Commission report on the supply of electricity meters published last year.

The pricing agreement, made in 1971, was between Ferranti Measurements, Landis and Gyr, Sangamo Weston, and the General Electric Company.

This agreement required companies to supply each other with new price lists, a practice which the Monopolies Commission concluded was undesirable and should stop.

The four companies have agreed to end the agreement and not make any similar agreement in the future.

Following discussions with the manufacturers, the area electricity boards have decided that in future they will place firm annual orders for agreed quantities. In addition, the boards will reduce the number of suppliers and the amount of minor variations in meter specifications requested by the boards.

Scotboard to close Irvine factories in November

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

SCOTBOARD has announced the closure of its two factories in Irvine, blaming the Government's energy policy and dumping by Continental chipboard manufacturers.

The company will stop manufacturing in November, but continue trading.

The closure will put 140 people out of work and add an estimated 1.5 per cent to the number of men unemployed in the town.

This figure will then stand at more than 26 per cent and make Irvine one of the worst unemployment black spots in Britain.

The company, a part of the British Plasterboard Industries group, held about 15 per cent of the market for industrial chipboard. It, with four other UK producers, accounted for 30 per cent of the domestic market. Importers held the rest.

Mr Bob Watson, managing director of Scotboard, said this week that in view of losses running at more than £1.2m a year, "with no indication of market improvement or reduced operating costs, and with selling prices less than in 1976, it appears the company has no real prospect of economic survival."

The company statement said that meetings with Government to emphasise problems of energy costs and dumping had been held, "but to date no material improvement has been achieved."

In the year to March 1981 Scotboard had record sales of 4.5m, but recorded a loss of over £900,000. Energy and material costs were put at 71.4 per cent of sales for this period, and 80.7 per cent of sales in the 17 weeks to July 24.

Since 1978 direct costs have risen by 50 per cent, while the market price for chipboard increased by only 11 per cent, after allowing for delivery costs.

The company feels particularly bitter on the issue of dumping. It says that following an agreement between the EEC and other European chipboard-producing countries, Spain, Finland and Sweden, for a floor price in 1978, the company started to move into profit.

But in 1980 Scotboard was told that it was showing sufficient signs of health, and no floor-price mechanism needed to be re-negotiated.

SKF productivity warning

BY ELAINE WILLIAMS

SKF, the Swedish-owned ball bearing company, has warned its UK workforce that failure to improve productivity could result in transfer of work to its European factories.

The warning has come within days of the announcement of 165 redundancies at SKF's main production plant in Luton, which employs about 2,000.

The company has blamed depressed sales and high manufacturing costs for the job cuts. It said prompt action was needed to check the slide and ensure a profitable future for the company.

Mr. Clive Franklin, SKF managing director in the UK, said the company had drawn up efficiency and productivity plans to come into effect immediately. The situation would be reviewed next month.

Talks have already begun with the unions on improving competitiveness.

● Two hundred jobs are to be cut from Bristol bus services in a bid to offset an expected £3m loss. Traffic commissioners today approved plans to trim services by up to 25 per cent from next month.

Three depots will be closed and 25 per cent of driver and conductor jobs will go. But only 100 staff will be affected as the company is 100 under strength.

Manchester gallery buys bust by Algardi

MANCHESTER CITY Art Gallery has succeeded in buying the Algardi bust of Monsignor Cerri for £265,000 as a result of its fund-raising campaign and several grants. The deal came just a few days before the ending of an export prohibition when the work would have gone to the Metropolitan Museum of New York.

The acquisition of the bust, completed about 1637, was described yesterday as "great news" by Mr Martin Royalton-Kisch, assistant Keeper of fine art at the gallery. He said Algardi was second only to Bernini as a Baroque sculptor.

The bust has had a chequered recent history. It was bought at auction by Agnew, the London dealer, in 1979 at a scale of the contents of North Mymms Park House. In April the company was found not guilty under the Auctions (Bidding Agreements) Act of acting illegally in a joint bidding agreement with other dealers to buy the bust.

Sir Geoffrey Agnew, the the dealer's chairman, yesterday criticised the sale. He considered that a great deal of time, money, emotion and energy, which could have been better devoted to something of real importance to the national heritage, had been waseted. He also wished Manchester had approached him before the 1979 sale.

Manchester, hwich is still appealing for funds towards the Duke of Devonshire's Poussin, raised most of the money since May.

Riot inquiries defended

THE barrister leading the independent inquiry into the Moss Side riots in Manchester yesterday spoke out against critics who said the inquiry was "fizzling out."

Fewer than 20 members of the public were present at the start of the third day of the inquiry. Mr Mike Brogden, the inquiry clerk, said only two witnesses were due to speak today and one on Friday.

Mr Benet Hytner, QC, said: "We are getting a great deal of information both in public and private. We feel the information gathering is going well. If it ceases to go well we will openly say so."

Welding investment

THE NOBLE GROUP, a private company of Peterborough, yesterday announced a £1.3m investment programme to expand its activities in the manufacture and hire of welding equipment. A subsidiary, Welding Automation, has been formed to design and make special-purpose plant to automate various welding processes.

The group has a £2m turnover and 45 employees.

Scots CBI chief

MR JAMES GOOLD, head of the McTaggart and Mikel Building company in Glasgow, has been appointed director of the Confederation of British Industry in Scotland. He replaces Mr David Nixon next month.

Store to close

ROBB BROTHERS, one of the oldest family businesses on Merseyside, is to close its department store in Grange Road, Birkenhead, after Christmas with the loss of 60 jobs.

Management blames falling profits, increased overheads and the cost of refurbishing the building.

Time Out rival

FORTY SACKED journalists on the London entertainments guide Time Out plan to publish a rival magazine in October. Their decision follows the failure to resolve a 15-week dispute during which they occupied Time Out's offices.

Staff went on strike in May after the magazine's owner, Mr Tony Elliott, tried to introduce wage differentials.

Winning type

FORMER WREN Pennie Atha, from Swindon, Wilts, is Britain's top secretary for 1981. Pennie, aged 32, won the award yesterday by coming first in the London Chamber of Commerce and Industry's private secretary's diploma examination—the country's highest secretarial qualification.

CSI fund management code opposed

BY CHRISTINE MOIR

THE COUNCIL for the Securities Industry, the City's watchdog, is circulating the first draft of what it hopes will be a formal City Code governing investment management.

It has asked for comments on the 10-page document, which contains 46 rules, many with multiple sub-clauses, to be submitted by the time the special sub-committee sits again on September 14.

However, initial reactions are so mixed and comments on particular clauses so conflicting that the final drafting date is likely to be considerably delayed.

Some of the merchant banks which have studied the document are utterly opposed to it. "Expensive nonsense" was how a head of the investment department of a merchant bank described it yesterday.

The document lays down in considerable detail how fund managers shall conduct business for discretionary clients: those who give them permission to manage money without prior approval for each deal.

The established merchant banks, which have been managing such business for several centuries, complain that their own in-house rules and procedures satisfy clients. The proposed code would simply require them to carry out procedures which would increase the cost of discretionary fund management to no obvious benefit.

Another body of fund managers is opposed to special draft rules which would curtail —among other matters—the fund manager receiving income from any source other than the client for handling the client's business.

The code seeks, for instance, to outlaw a merchant bank sharing commission with a stockbroker, or obtaining a benefit from depositing client's funds within the banking side ofthe bank. This should only be done, rule 12 lays down, if the benefit so obtained is disclosed in detail to the client in advance.

"You don't ask your builder to tell you his profit margin," one merchant banker said. "The real control over too high fees is market competition."

A number of fund managers believe that the code should simply be scrapped.

Like the CSI's draft code governing new issues and prospectuses, which was finally abandoned, this is said to be badly drafted and irrelevant because existing practices are already tighter except for "fringe operators" who would probably ignore it anyway.

However, most fund managers believe that a code is needed, if only to pre-empt the legislation expected to follow the Government's review of the Prevention of Fraud (Investments) Act, which it has just commissioned.

The first eight rules in the draft code are almost identical in wording to rule 79f introduced by the Stock Exchange Council in July, which will take effect from September 30.

This requires all stockholders who manage discretionary funds for clients to draft a detailed written agreement on how the funds will be managed, with what aim, what types of transactions are to be excluded, where responsibility lies for management, and how reports are to be made to the client.

Engineering research maintained

BY JAMES McDONALD

A LARGE proportion of British engineering companies are maintaining their spending on research and development in spite of the recession, according to a survey carried out in June by The Engineer magazine.

The survey, of nearly 300 research managers in the engineering industry, revealed that almost 75 per cent of the companies involved will maintain or increase research and development spending in real terms in the next 12 months, compared with the past 12 months.

Over half the respondents to the survey also said that research and development spending would be higher in real terms than three years ago.

Two-thirds of the respondents said they should have more cash from the Government and over half believed that if they had extra funds they could produce new products, immediately or within a year.

The magazine says that some of Britain's leading research executives were pleasantly surprised by the results of the survey.

Sir Frederick Wood, chairman of the recently-formed British Technology Group (formerly the National Enterprise Board and the National Research and Development Corporation) was quoted as saying that the results "show a picture which is not quite as gloomy as has been painted elsewhere."

Meanwhile the results of a survey of company directors, published in the latest issue of The Director show a cautious response to the Government's forecast of an improvement in the economy.

Of the 41 chairmen who took part in the survey, 20 expect their companies to make better profits in 1981-82.

But only five chairmen believe employment will increase in their companies, while 16 expect a further decline in workforce levels.

The chairmen believe the recession has helped stimulate efficiency. Apart from slimming-down their workforces—and 32 chairmen reported this—there was a fairly general move to streamline organisations, and attempts to launch new products.

Of the sample, 23 chairmen said their companies had maintained investment, compared with 13 who reported reductions.

Asked what they wanted from the Government to aid recovery, most chairmen called for further interest rate cuts. Lower taxes, a lower exchange rate, and tougher legislation on the closed shop were also mentioned.

UK NEWS—LABOUR

Steel unions to withdraw nominees for BSC board

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE MAIN steel union, the Iron and Steel Trades Confederation, is to withdraw its nominees to the worker-director seats on the British Steel Corporation's Board.

Mr Bill Sirs, the general secretary, has written to Mr James Prior, the Employment Secretary, asking him to raise in Cabinet the decision of Sir Keith Joseph, the Industry Secretary, to support Mr Ian McGregor, the BSC chairman, in his unilateral trimming of the worker representation by one seat, from six to five.

Mr McGregor has refused to accept two new ISTC nominees for the seats previously reserved for the union, or either nominee for the one seat now granted the union, though he has said that he will accept the continued presence of one of the present ISTC directors, Mr James McLaren, from Ravenscraig.

The union has insisted that its two new nominees, Mr Terry Butterworth, an ISTC official from Sheffield, and Mr Don Caddick, a manager at the Shotton works, be appointed. Mr McGregor's refusal to do so has led the union to boycott the board.

Mr McLaren has said that he will not continue on the board without his union's nomination.

Mr Sirs said: "In the circumstances, the executive has decided that we cannot go along with this charade.

"The fundamental question is are we going to have industrial democracy in steel or are we not? If we are, then it is nonsense to have the chairman of BSC decide who should or who should not sit on the board."

Mr Sirs said that Sir John Boyd, general secretary of the Amalgamated Union of Engineering Workers, was to be appointed a part-time director, though not as a worker-director. He stressed his good relations with Sir John, but said that the appointment was contrary to an agreement between steel unions that no full-time official be appointed to the board.

Sir John would make no comment on the appointment yesterday.

It seems unlikely that the ISTC will mount substantial disruptive action.

Mr Sirs said that the BSC chairman's action would lead to "a worsening of relationships," and suggested that an overtime ban might be imposed or that the union might encourage its members to write to Mr McGregor giving their opinion of him.

Though the ISTC nationally has refused to give its assent to the BSC corporate plan, which would remove 23,000 jobs from the industry, local union officials have co-operated with restructuring at plant level.

Mr. Sirs said that they might be instructed to withhold co-operation in future.

He added that the other unions in the steel industry would retain their places on the board. They had objected to Mr. McGregor's action, but would not withdraw their nominees, nor had they been asked to.

The final decision on composition of the BSC board, which is taken by Sir Keith, has not yet been announced. It is expected to be known by the end of this month.

The Industry Department said yesterday that it could make no comment before the decision.

TGWU accuses oil companies of misusing N. Sea production

BY NICK GARNETT, LABOUR STAFF

OIL COMPANIES and the Government were attacked yesterday by the Transport and General Workers Union for misusing North Sea oil in such a way that UK refining and manufacturing were being seriously undermined.

The union has produced a document, Britain's Oil and the Crisis in Refining, which is being sent to all its members in refineries and related complexes. It calls for united opposition to further refinery closures and to Government policies on North Sea oil.

Mr John Miller, TGWU national secretary for oil and chemicals, said the Government was being asked to meet a union delegation to answer charges that its policies were allowing oil companies to export so much crude from the North Sea that this was supporting the manufacturing base of the UK's main industrial competitors.

BP refinery delegates are meeting in London today to discuss the closure of the company's Isle of Grain refinery. This meeting, to which craft representatives have been invited, precedes a scheduled meeting with BP directors tomorrow.

The company earlier this week gave the Department of Employment 90 days statutory notice of job losses at the refinery from January to December next year when the plant will be shut.

A refinery delegates conference last month empowered national union officials to recall the conference if further closures were announced. Apart from BP, Burmah has announced the closure of its Ellesmere Port refinery.

The union wants the Government to establish a monitoring system on oil platforms and terminals to check how much oil is being produced and its destination. Official figures show that 46 per cent of North Sea oil is exported. Union members say these figures are being "fiddled."

The union says its local officials believe the figure is more than 50 per cent.

The oil companies should adapt UK refineries to process more North Sea crude, currently exported, an cut down on imports, the document argues.

Mr Miller said that under existing free market policies in the UK Britain's refining "crisis" would deepen.

Defence staff plan break from Civil Service unions

BY NICK GARNETT, LABOUR STAFF

A STAFF association is being formed at the Ministry of Defence as a breakaway representative body from the Civil Service unions.

The association, which is appealing for membership in all non-industrial grades, has had 10,000 application forms printed and distributed 3,000.

The association, which had an inaugural meeting last week, cuts across the current structure of Civil Service unions which are largely based on grades rather than ministries.

Mr Tom Lawton, the secretary of the staff association, said yesterday that the intention was to have a body representing staff solely in Defence, and with negotiating rights.

The association would consider as a possible aim the removal of Defence from the Civil Service structure.

A circular sent with the application forms links the formation of the association with dissatisfaction with the Civil Service strike. It questions the use of industrial action, and says the Civil Service unions are not prepared to make an exception of the Ministry during disputes.

"Some unions have passed motions at annual conferences calling for disarmament which are directly against MoD civilian interests and which could only be implemented at the cost of MoD civilian jobs," Mr Lawson said.

"The majority of MoD civilian staff have a deep seated loyalty to the Crown and consider it wrong to have to take industrial action."

Regarding the issue of pay, Mr Lawton said that the association would consider whether it would be more acceptable to link Defence staff pay to that of military personnel.

TUC leaders pledge to resist closed shop curbs

BY JOHN LLOYD, LABOUR CORRESPONDENT

ATTEMPTS BY the Government to restrict further the closed shop in British industry would "intensify TUC opposition" to Government policies, the TUC's influential Employment Policy and Organisation Committee said yesterday.

Mr Bill Keys, chairman of Epoc and general secretary of Sogat, the largest print union, said that the judgment last week of the European Court of Human Rights in favour of the three railwaymen dismissed by BR for refusing to join a closed shop "did not take into account what has been the historical development of industrial relations in this country."

He said the TUC was opposed to the Employment Act and to many of the suggestions made in the Green Paper on Trade Union Immunities.

"The Government can expect vigorous opposition from us. There are such things as the rights of majorities as well."

Mr Keys said that the TUC would "note" the Strasbourg judgment and give it further consideration.

Mr Len Murray, TUC general secretary, wrote to union leaders last month advising them to stress to employers that both the 1980 Employment Act and further legislation based on the Green Paper were unacceptable to trade unions and could have "serious adverse effects on trade unions—both generally and within their own companies."

Mr Keys said that he would use every power he had to retain closed shop agreements in the print and newspaper industries, where the system was general.

He said closed shop agreements had continued to be signed since the Employment Act was passed, and that its provision for a ballot of the workforce on new closed shops had been ignored.

● The Wales TUC is to press the British TUC to challenge the European Court ruling on the closed shop case.

The Wales TUC general council in Cardiff yesterday took the decision because of the "special circumstances" in Welsh industry.

Mr George Wright, general secretary, said "The post-entry closed shop is particularly important to us in Wales. If it goes, as it may now if some Conservative MPs have their way, it will be very damaging.

"We have been working with the Welsh Office to secure inward investment. The single union shop is our greatest selling point to the Japanese, the Americans, the Belgians, the Dutch."

Mr Wright said they stressed this point to Mr James Prior, Employment Secretary, on a recent visit to Cardiff. "Mr Prior said the closed shop will not be banned. But he said he is going to give new rights to people who don't want to be union members."

Barclays staff urged to work harder

By Nick Garnett, Labour Staff

BARCLAYS BANK is instituting an average 5 per cent improvement in productivity across its operations, largely through requiring staff to work harder.

The move has brought an angry response from the Barclays Group Staff Union which said yesterday that the bank had not consulted the union and had previously denied that it was considering such changes.

The bank uses a system called the Clerical Work Improvement Programme based on a measurement of work over a 140-hour, four-week period.

Index

Of this, 100 hours of tasks are taken as the basis of calculations with the balance covering supervision, holidays, sickness and other periods when work cannot be measured.

The bank has been using an index of effectiveness of 100 measured against a basic staff figure. It wants this index improved, which the staff union says will mean a 10 per cent productivity rise in small branches and 5 per cent in medium sized ones.

The bank said yesterday there had been a substantial drop in the rate of resignations in the past three years and as a result the relative experience of staff had increased. This allowed a greater level of effectiveness.

No redundancies

The work load was rising an dthe bank would continue to recruit staff but it was essential that productivity rose. There was no qeustion of redundancies.

The bank's move is part of a general trend within the clearers to cut costs. This has been most marked by Midland's announcement of 2,000 redundancies.

Barclay's staff union said it would consider whether to institute money claims against the bank if it could not get the bank to change its policy.

It said that a 25-man office would be reduced to 23½ and it seemed that no replacements would be provided until staffing had fallen to the new figure.

International Appointments

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AREA MANAGER – KANO	£50,000
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OPERATIONS MANAGER – DOUALA	Negotiable
LENDING MANAGER – DOUALA	Negotiable

GERMANY

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HEAD OF CREDIT – HAMBURG	DM100,000
ACCOUNT OFFICERS (2) – DUSSELDORF	DM60,000
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CALLING OFFICERS (4) – FRANKFURT	DM65,000
LENDING OFFICERS (2) – FRANKFURT	DM80,000
CORRESPONDENT BANKERS (2) – DUSSELDORF	DM65,000
F.X. DEALERS (2) – DUSSELDORF	DM60,000
LEASING OFFICER – FRANKFURT	DM65,000

MIDDLE EAST

OPERATIONS MANAGER – KUWAIT	$45,000
CHIEF ACCOUNTANT – JEDDAH	$35,000
INVESTMENT MANAGER – BAHRAIN	$60,000
PORTFOLIO MANAGER – BAHRAIN	$40,000
SYNDICATION MANAGER – BAHRAIN	£20,000

Jonathan Wren
Banking Appointments

If you are interested in these or other opportunities please write in confidence enclosing detailed curriculum vitae to Roy Webb, Jonathan Wren & Co. Ltd., International Division, 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266. No identities divulged without permission.

Accounting Manager

SOUTH AFRICA

With your experience, you could work anywhere in the world.
With your ambition, you should only work here.

One of the world's most successful starch and glucose producers, a subsidiary of a major industrial corporation in South Africa, is expanding its already substantial facilities and is presently committed to capital expenditure in the order of R8-9m. The Company presently has an annual turnover of approx R50m.

This creates an exceptional opportunity for an experienced Accounting Manager to fill a position which has occured at the Company's factory some 12 miles from Johannesburg.

The person appointed will control a staff of at least 20 and be directly responsible to the General Manager on all aspects of factory accounting and office management.

Preference will be given to qualified accountants, however those who have reached the final stages of their examinations and have not yet qualified will certainly be considered.

This is a permanent staff position and the benefits include a high salary, Company car, assistance with home ownership, relocation allowance, up to 8 weeks free initial accommodation, medical aid, pension and study aid schemes.

The superb life style and working conditions, low cost of living and magnificient climate create a quality of life as high as anywhere else in the world.

Interviews will be held in the U.K. where we will tell you about the Company, the job and the opportunities.

Please write giving full personal and career details to:—

Ms. Sandy Cook, Anglo Charter International Services Limited, (Appointments Division), 40 Holborn Viaduct, London EC1P 1AJ quoting ref: SFT/68/81.

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He will join an experienced team servicing the growing U.S. institutional participation in international stockmarkets and will be supported by a highly regarded research team based in the Far East.

The successful candidate will have a proven record of success as an Institutional Salesman and should be familiar with the region.

Salary will be negotiable and will be geared to reflect performance.

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requires the following Senior Managers for a three year contract:

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Manager Suva Branch

Senior Manager Lautoka with area responsibilities

Applicants should have not less than ten years managerial experience and an extensive knowledge of general banking, advance appraisals and control, preferably used to working in a multi racial society. The positions would probably interest retired managers in their 50s with overseas experience.

Terms of Service

Salary Fiji dollars 20,000

Expatriate allowance Fiji dollars 10,000
Gratuity 37½ per cent of salary paid annually
Generous leave terms with mid tour leave and air passages to United Kingdom or equivalent at business class rates. Subsidised housing and car provided. Medical and educational benefits.

Applications marked "National Bank of Fiji." should be forwarded before 10th September to:

Fiji High Commission
34 Hyde Park Gate, London SW7 5BN
United Kingdom

Interviews arranged for suitable candidates in London

OPERATIONS/ CREDIT MANAGER

International Finance

Recently-formed financial institution whose shareholders include prominent Middle East interests requires a Manager with experience in contract and loan administration, credit procedures and policy. Previous similar position with a bank or finance company, and in particular familiarity with secured lending, would be advantageous. Company is located in an attractive Middle East locale. Position includes responsibilities for head office and joint venture operations.

Generous tax-free salary plus bonus and benefits available.

Please reply in confidence to:

Box A.7600, Financial Times
10 Cannon Street, EC4P 4BY

General Manager

Kuwaiti shipowning company

This recently formed company is at present operating a mixed fleet of vessels and it is the intention to develop the company under a new General Manager.

The successful candidate will have extensive international shipping experience including liner/container operations. He will have a good knowledge of modern ship financing and technical operations as well as chartering and insurance.

The General Manager will have to be able to negotiate the purchase and sale of vessels and joint ventures and to develop new trades. He must be capable of putting together a skilled new management team.

The salary and related benefits are negotiable in accordance with experience but the salary would not be less than £25,000.

PLEASE REPLY IN CONFIDENCE, giving full details of your career and experience to date, to:

Chairman,
P.O. Box No. 25344,
Safat, Kuwait.

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INTN'N MARKETING EXECUTIVE General Manager BSc Econ., 5 languages, 16 years EDP marketing, 10 years general mgmt. exp. Results oriented entrepreneur. Seeks exec. position intn'l level. (E.D.P., Process control, hospital systems, Investment goods, etc.). Also willing to start intn'l operations. Write to Box No. N03-353830 to Publicitas, 4010 Basle/ Switzerland.

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with Extensive Investment Banking background to Oversee and Manage Global Investments

* Supervision of equity (non-discretionary and advisory) investments requires close liaison with specified international stockbrokers and fund managers.

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*** Supervision of and policy recommendation for wholly and partially-owned subsidiary businesses.

Candidate should have a minimum of ten years' experience in related fields plus appropriate educational background.

Compensation includes substantial base, performance incentives, liberal accommodation and travel allowances. Relocation in Kuwait.
Send resume to:

Box A.7599, Financial Times
10 Cannon Street, EC4P 4BY

WANG is one of the fastest-growing companies in data and word processing. Advanced technology, coupled with a dynamic marketing strategy, have made us a market leader in the field.

To cope with rapid growth, we have established the new post of:

MANAGER EDP and ORGANISATION
FRANKFURT - GERMANY

This position will be responsible for all internal data processing. It will include the definition of data processing requirements, utilisation of software to fulfill these requirements, and the administration of data processing operations.

The applicant for this position should be able to communicate with internal users to determine their needs, have excellent organisational and management abilities and good analytical capabilities.

The applicant should have 5 or more years of data processing experience, gained in a business systems environment, with strong programming ability in Cobol, a good working knowledge of Basic and telecommunications skills. The applicant should also have exposure to data -base management and interactive systems, plus a solid understanding of accounting.

This position will have a direct reporting responsibility to the European MIS Manager and a dotted-line report to the country controller. Fluent spoken and written German and English are required. If you are interested in joining a young, vital team, please send your résumé and salary requirements under reference 881 to: V.W.H. Greenway, Partner, Ernst & Whinney, 523 Avenue Louise bte 30, B-1050 Brussels, Belgium, who will be responsible for the search.

Full confidentiality and discretion assured.

WANG MAKING THE WORLD MORE PRODUCTIVE.

International Company specialised in commodity trading

is looking for a

GENERAL MANAGER

age: 35-45

for its coffee processing and food packaging factory located in WEST AFRICA

— Previous experience in a similar food factory is requested
— Responsible position involving:
  ★ Planning of production
  ★ Sales promotion
  ★ Distribution to local market
  ★ Management of the factory
— Permanent residence in West Africa for minimum three years
— Leave to Europe twice a year.
— High salary and fringe benefits
— Interesting career prospects in an expanding group

Please submit your application to:
P.O. Box 311 — CH-1211 Geneva 11 (Switzerland)

CORPORATE LENDING OFFICER

Middle East financial institution with major Arab governments and banks as shareholders has position available for Vice-President to market and develop international corporate lending activity. Five to seven years' experience required, preferably with a commercial bank. Knowledge of the petroleum and transportation industries advantageous though not a pre-requisite. Successful candidate would be located in Bahrain with some travel throughout the Gulf area, Far East and Europe.

As the company is a dynamic and rapidly-expanding organisation, opportunities for further advancement are excellent.

Compensation includes an attractive salary, bonus and generous benefits.

Replies should be sent in confidence to:

Box A.7601, Financial Times
10 Cannon Street, EC4P 4BY

FINANCIAL CONTROLLER — RETAILING
THE GULF

One of the largest and most modern **Department Stores** in the Middle East, which is expanding rapidly, wishes to appoint a qualified accountant to the new post of Financial Controller.
This position, reporting to the Group Finance Director and the General Manager, carries responsibility for:

— Budgetary control and reporting
— Treasury
— Stock control
— Management accounting
— Financial accounting

It calls for a qualified accountant, aged not less than 30 years, who will probably have had some years' experience in the retail trade and has good communication skills in English, an outward-going personality and adaptability.

The remuneration package includes:

— Excellent tax-free salary
— Relocation expenses for self and family
— Free furnished accommodation and utilities
— Car allowance
— One month's leave each year with paid passages.

The country offers a good healthy climate with excellent sports and social life.

Please reply with full CV and photograph in complete confidence to:
The Finance Director, Box A7606, Financial Times, 10 Cannon Street, EC4P 4BY.

INTERNATIONAL APPOINTMENTS advertising appears every Thursday.

Publisher for International Magazine

Must have proven record in publishing. Scope for expanding publishing base within industry. Equity available subject to terms.

Reply in confidence to:
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10 Cannon Street, EC4P 4BY

APPOINTMENTS WANTED

International Lawyer

Fifteen years work experience with large corporations in Europe and the U.S.: dual legal education and bar admissions in the United States and Europe; English, German, French, Spanish.
Particular experience and interests worldwide: investments, divestments, licensing, sales, corporate. Seeking challenging senior level position within or outside the U.S. or Europe.

Please reply to Box A7593, Financial Times, 10 Cannon Street EC4P 4BY

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INTERNATIONAL INSURANCE COMPANY

OPERATING FROM CYPRUS

Has openings for:

—A GENERAL MANAGER
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—A CHIEF ACCOUNTANT

Candidates must have a solid record of achievement requiring a high degree of expertise and should desirably have significant experience in International Insurance. Attractive salary and benefits commensurate with background and previous experience. Low income tax.

Write in confidence with detailed C.V. plus photo under ref: CY/62 to Vice-President/Personnel, 65, av. d'Iena, 75016 PARIS.

European Auditor

West of Scotland base.

Salary £10,000-£13,000

(depending on qualifications and experience)

National Semiconductor is a world-leader in the development, manufacturing, and marketing of micro-electronic components. Operations have recently been expanded by the company's entry into the marketing of large computer systems.

The company is now seeking an experienced professional auditor who will be based at the company's plant in Greenock, the largest semiconductor manufacturing facility in Europe, and who will conduct financial, operational, and EDP reviews throughout the seventeen European locations. The position, which provides about 65% travel in Europe, involves interaction with senior international management and requires imagination and initiative in the planning and carrying out of reviews.

The management style, like the technological and marketing environment, is fast-moving and responsive. Responsibility will be to the Audit Manager, who is based in Bavaria, and prospects are excellent for progress within the Audit Department or into senior line positions within Europe.

Aged 26+ you should be a qualified accountant, ideally with a degree and second European language. We would like to see around two years' post-qualification experience, preferably in an international environment. EDP audit experience would be a major plus.

Please apply with full CV to:

Mr Llew Aviss
Personnel Manager
National Semiconductor (UK) Ltd
Larkfield Industrial Estate
GREENOCK PA16 0EQ

National Semiconductor

Jobs of National Importance

Interviews will be held in Greenock or London.

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Trafalgar Square,
London WC2N 5EP.

LONDON c.£15,000 plus Car

Head of Internal Audit

Our client is the Royal Automobile Club, who in addition to their motoring services operate club houses and are involved in various other commercial operations. The rate of growth and increasing complexity of these operations now demand the appointment of a Head of Internal Audit whose responsibilities will range across the whole of RAC operations and who will be required to determine the future shape of the internal audit function. The post reports to a main Board director.

Probably aged mid-30's upwards, the successful candidate will be a qualified accountant with several years' audit management experience, who could well already be heading the internal audit function of a large organisation. Required is a close familiarity with computerised systems and an ability to secure the co-operation of management at all levels. Helpful would be service industry experience in organisations built up on a regional basis.

Some travel within U.K. is envisaged. A non-contributory pension scheme is in operation and the usual fringe benefits will apply.

Letters of application, together with CV, salary progression and any other relevant details, should be sent without delay to:
Mr. C. A. Cotton, Executive Recruitment Division, MLH Consultants Limited, 126 Baker Street, London W1M 1FH, quoting reference A279.

MLH *Consulting Group of Companies*

RH

NUMBER ONE

C. London £16,000 + Car + Benefits

A leading international credit card corporation has recently set up a London H.O. for its European operations. The company seeks a first rate accountant who will head up the finance function and take on a number of administrative responsibilities. This challenging position offers responsibility, a varied role and considerable international exposure. Suitable candidates will be qualified, aged c30 with good commercial experience. A strong, outward-going personality and the ability to control staff are essential attributes for this post.

DIRECTOR POTENTIAL?

Hants c£12,000

Having qualified with a major practice and gained 2/3 years solid experience in commerce/industry you should now be considering a solid career move. High calibre aged 26-28 your initial appointment would be Financial Controller/Company Secretary of a go-ahead electronics based company which places particular emphasis on the financial function. As part of the 'management team' you should have the commercial flair to contribute in all areas.

INTERNATIONAL FINANCE

City c£11,000 + excellent bens.

High calibre Graduate ACA and recently qualified? An international finance house offers an exciting career opportunity with excellent exposure to senior management. A non-routine role interpreting management information, inter company comparisons, and ad hoc studies will enable you to gain a birds eye view of the City. This *excellent grounding will prepare you for an operational role in* marketing or an associated area in the short term.

WORLD WIDE TRAVEL

West End Salary no problem

*Based London – opportunity to travel throughout Europe, Scan*dinavia, Africa and the Middle East – offered to high calibre ACA's with fluency in a European language other than French. Not only *operational audit of subsidiaries and equity holdings* but special projects, investigations and management reporting are involved. Excellent prospects to line roles within this U.S. multi-national.

ANALYSIS

If you have sound credit or economic analysis experience you may now be interested in furthering your career by joining the exciting world of international banking. You should be familiar with most if not all aspects of credit assessment, balance sheet spreading and company appraisal. Languages and a specific interest in specialized geographical areas would be an advantage. Salaries are negotiable with benefits of usual City munificence.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

ROBERT HALF
Accountancy & Financial personnel specialists

Management Training

An exceptional opportunity for Lecturers in Finance and Accounting

STANDARD CHARTERED BANK is Britain's largest independent international bank and employs a large staff in over 1500 branches throughout the world.

An important concern is to ensure the *development of the Bank's managers to* enable them to handle even more successfully the increasingly onerous and complex demands of global banking.

The staffing requirements for the current management training programme are such that two additional tutors are needed to contribute substantially in the areas of finance and accounting. They will have extensive experience of academically well-disciplined yet practically based lecturing at a business school, university or similar institution of good standing. *Their backgrounds could include* chartered accountancy qualifications and experience or embrace economics or econometrics, and they will be expected to range widely over aspects of financial planning and control, the interpretation of financial data, statistical applications, techniques of investment appraisal, and a variety of topics within related fields.

The Bank is prepared to consider a three year engagement, after which a tutor could return to the former career path with the benefit of broadened experience. *Alternatively, he or she might wish to* pursue a full and rewarding career with the Bank within a longer time-frame, in this or another suitable activity.

Salary and benefits will be at the level appropriate to a leading bank. Detailed terms and conditions are for individual consideration in the interests of flexibility and according to circumstances of successful applicants.

Please apply with a comprehensive c.v. indicating in particular detail the topics you are competent to cover, also your earliest *availability date, and whether if the* opportunity arose you would welcome the opportunity to travel overseas. Letters should be addressed to:

The Manager, U.K. Manpower Department, Personnel Division, Standard Chartered Bank Limited, 10 Clements Lane, London, EC4N 7AB.

Standard Chartered
BANK LIMITED

1980

Business Development and Appraisal

Major Brewing Group c.£12,500 p.a.+car

Reporting to the Group Financial Planning Manager, the successful *candidate will work with the various* operating companies to provide a *high level of financial expertise* embracing financial and business planning, appraisal of investments, products and projects, and capital budgeting.

For this position we are seeking a highly numerate young man or woman, aged around 30, with at least 5 years' comprehensive and practical experience of financial problem solving which must include most, if not all, of the activities mentioned above. Such experience may have been gained in the brewing industry or in one of *the larger multi-faceted international organisations in* leisure, retailing or fast moving *consumer goods.*

An M.B.A. would be ideal, but a qualified accountant or science graduate with sound business knowledge and strong mathematical and analytical skills would also be considered.

Salary will be around £12,500. A car is provided, as are all the usual benefits associated with a senior position, and assistance will be given with removal expenses.

Please send brief career details, in confidence, to A.R. Duncan at Bull, Holmes (Management) Ltd., 45 Albemarle St., London W1X 3FE, *quoting Ref: 232.*

Bull Holmes
PERSONNEL ADVISERS

CHIEF ACCOUNTANT

LONDON W1 UP TO £15,000 + CAR

Our client, a leading property company, requires a Chief Accountant who will report to the Financial Director.

The responsibilities include managing the accounting department, production of accounts and statistics, budgets and a number of special projects.

Candidates, men or women, should be qualified accountants with considerable post qualification experience in industry or commerce. Experience of computerised systems would be an advantage as would experience in the property industry. Candidates should be over 35 years of age.

Salary is negotiable up to £15,000. There are attractive fringe benefits including a car.

Please send a comprehensive career résumé, including salary history, quoting ref. 2022 to W. L. Tait.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011

EMA

OPERATIONS AUDIT MANAGER

London Base to £20,000

An outstanding opportunity for a highly qualified professional to manage an operational audit staff covering UK and other European operations with a leading US based international company trading in high value commodities. Applicants (male or female) should ideally be manager level accountants in the profession. Commercial awareness is essential.

The successful candidate will report to US headquarters and will be responsible for the management of operational audits and procedural reviews and the presentation of reports and proposals to senior management. The position will require up to 40% travel and provides excellent promotion prospect. Please telephone or write to David Hogg FCA quoting reference I/2091.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London WC1V 6LR
Telephone: 01-242 7773 (24 hour).

Management Information in Manufacturing

Uxbridge c.£10,500 p.a.

Fisons Scientific Equipment Division are one of Europe's leading manufacturers of equipment and instruments for scientific and laboratory use.

At our modern production facility in Uxbridge we require a Cost and Management Accountant who, reporting to the Unit General Manager, will supervise a small team in the provision of effective cost control and financial *information. Your prime* responsibility, among a wide range of financial activities, will be the implementation and maintenance of a computerised costing system.

At least 4 years' post-qualification experience in a manufacturing environment is required, and you should be in the age range 28-40.

We offer excellent working conditions in a pleasant, rural environment, a starting salary of around £10,500 per annum and the benefits you would expect from a major British group of companies.

For further details and an application form please contact Mr. Peter Wale, Senior Personnel Officer, Fisons Limited, Scientific Equipment Division, Riverside Way, Uxbridge, UB8 2YF. Telephone: Uxbridge 51100.

FISONS

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MANAGING DIRECTOR

Southern England c. £25,000 + benefits

Our client is a profitable UK company with a turnover of £30m, operating a number of food processing and packaging plants. It now seeks an experienced, dynamic Managing Director aged 35-50 *to further increase profitability and lead the company in its current expansion programme.*

Essential requirements include:

- ★ The leadership qualities required to stimulate innovation and growth
- ★ Extensive experience of negotiating with major customers
- ★ A good understanding of modern production techniques
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Benefits include a substantial performance-related bonus and an executive car.

Please reply in confidence with brief career details or telephone D. E. SHRIBMAN

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International Banking

SENIOR INVESTMENT BANKER capital markets	c. £20,000
LENDING/MARKETING OFFICER with second European language	to £18,000
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LEASING: JUNIOR EXECUTIVE graduate, with leasing/marketing experience	c. £10,000
SENIOR DEALER (F.X./DEPOSITS)	to £20,000
SENIOR DEPOSIT DEALER 3-5 years' experience	£15,000+
F.X. DEALER, Spanish-speaking	to £12,000
OPERATIONS OFFICER 5-10 years' experience F.X., Accounts, D.P. systems etc.	£14,000+
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LOAN ADMINISTRATOR No. 2 position, full back-up to credit team	c. £8,000
DOCUMENTARY CREDITS CLERK 2-3 years' experience, all aspects	c. £7,000
HOLLAND: CHIEF DEALER fluent Dutch and German	negotiable salary
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For further details of these and other opportunities, please telephone Brian Gooch or David Little

Jonathan Wren & Co Ltd
Banking Appointments,
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Telephone: 01-623 1266

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Connaught Executive Management Services Limited

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The successful candidate is likely to be a graduate in his/her mid-to-late 20's with two or three years' experience in the Eurobond Market, be conversant with New issue documentation and have the initiative and enthusiasm to make an early contribution to new business development. Fluency in foreign languages or some legal experience could be an advantage.

A competitive salary will be offered together with a substantial staff benefits package.

Applications, giving full career and salary details, should be sent in confidence to T.J.B. Locker:

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114 Old Broad Street, London EC2P 2HY

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Tel: 01-353 5624

Diversified International Private Company Seeks a Senior

FINANCE EXECUTIVE

Wilts/Berks **£14,000-£16,000 Plus Car**

Our client is a highly successful entrepreneur who has built up a broad spectrum of diversified business interests. The group employs approximately 1,000 people and current turnover is $35 million.

The Finance Executive will work closely with and report to the Managing Director. A very broad role is envisaged including investigation of possible new ventures and appraisal of existing investments worldwide, as well as financial management performance reporting and planning.

Candidates will be qualified chartered accountants in their late 20's or early 30's looking to develop a career outside a routine accounting role. In addition to proven accounting ability obtained in either practice or commerce/industry, candidates should possess good inter-personal skills, a well developed commercial awareness and the ability to work independently in an autonomous environment.

Written applications enclosing a curriculum vitae should be forwarded, in confidence, to Barbara Lord at 410 Strand, London WC2R 0NS, telephone 01-836 9501, quoting reference number 3357.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
DLA
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

Young Management Accountant

around £9500: Kent

Hobourn-Eaton Limited is a leading designer and manufacturer of components for the European automotive industry.

Reporting to the Chief Accountant, the successful candidate will be responsible for all aspects of budgetary control and standard costing and there will be high involvement in the development and improvement of computerised on-line management accounting systems. The company, located in mid-Kent, is within easy reach of both the S. Coast and reasonably-priced housing.

Candidates will be part or newly qualified accountants (CA, ACCA or ACMA) and preferably with experience in manufacturing industry. Knowledge of computerised systems a distinct advantage.

We offer a salary around £9500, dependent on experience. Benefits include relocation assistance where appropriate and 25 days' annual holiday.

Please write with full personal and career details, or telephone for an application form, to J. G. Cochrane, Manager, Personnel Services, Hobourn-Eaton Limited, Priory Road, Strood, Rochester, Kent. Tel: Medway (0634) 77733.

Hobourn-Eaton Limited

Finance Director (Designate)

This successful and expanding public Group of Companies with nine operating units and just over 400 employees wishes to appoint a Chartered Accountant with significant commercial experience and an understanding of smaller company organisation to the post of Group Accountant/Company Secretary.

The person appointed will be responsible to the joint Managing Director for the Group's entire accounting and administration function. The successful applicant must have the ability to guide and motivate an established team, and should be able to contribute positively to the evolution of Group financial plans and policies. It is expected that the post will lead to a Board appointment.

Candidates earning less than £12,000 at present are unlikely to have the depth of experience required. Salary will not be a barrier for the right man or woman. The usual benefits, including car, will be provided.

Location: Very attractive part of Yorkshire.

Write with full personal and career details to the address below, *quoting ref: M9332/FT on the envelope.* Your application will be forwarded directly to the client unopened, unless marked for the attention of our Security Manager with a note of companies to which it should not be sent. Initial interviews will be conducted by the client.

PA Advertising
Norwich Union House, 73/79 King Street, Manchester M2 2JL. Tel: 061-236 4531
PA
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TSB

TRUSTEE SAVINGS BANK
of Yorkshire and Lincoln

AREA MANAGER
EASTERN AREA (HULL)
c. £17,000

The Trustee Savings Bank of Yorkshire and Lincoln, part of a leading UK Banking Group, has 160 branches and provides banking services to some 1.4 million people.

The successful applicant for this appointment will be a member of a management team of the Bank. This role requires a comprehensive appreciation and practical application of senior management skills. A wide and sound knowledge of commercial lending and small business finance as well as personal lending would be considered an advantage, and it is expected that applicants will be professionally qualified.

Application forms together with Job Specification and Guidelines are available from the General Manager, Trustee Savings Bank of Yorkshire and Lincoln, 308 Tadcaster Road, York YO2 2HF and completed application forms should be returned to him under "Private and Confidential" cover by no later than Friday 18 September 1981. (Interviews 7 October).

TSB

Acquisitions Executive

Getty's international exploration and production operations based in the U.S.A., extend to most countries in the world. Getty are now expanding their interests in Europe and Africa and intend to strengthen their exploration organisation with additional key management personnel, including the new appointment of an Acquisitions Executive.

Circa £19,000 + Car. London

Your responsibilities will include recommending and negotiating the acquisition of exploration concessions and participating in joint venture agreements with other oil companies together with the administration of existing concessions.

To be considered you should be aged between 30 and 40 and have at least five years' experience in the commercial background to exploration and the negotiation of these agreements. A legal background would be an advantage.

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ADVERTISING AND MARKETING

BY MICHAEL THOMPSON-NOEL

Channel Four: A look at likely marketing opportunities on Britain's second commercial TV channel, and at its new financing arrangements.

A chance to join the bright lights

RUB ANY TWO advertisers together, then stand clear. That has long proved impeccable advice to those who feel obliged, however episodically, to attend the teach-ins and seminars, the conferences and throngings, with which the advertising and marketing fraternity diverts itself.

The point being that the most likely outcome of such an exercise is to generate extraordinary heat and light on the subject that unites most advertisers, rivals though they be: the cost of television airtime, coupled with that other bête noir, escalating TV commercial production costs.

Given which, it seems curious that in advertising and marketing circles, little real attention has been paid to the business opportunities offered by the advent of Channel Four (Britain's second commercial channel)—a gap now bravely plugged by the Young & Rubicam agency, which has set out its views in a briefing paper.

As Y&R is in a league of its own on media matters, its views are invariably worth listening to.

Channel Four (or Fourth Channel, or ITV-2: as you will) is scheduled to start next autumn and to provide more than 50 hours' broadcasting a week, paying special attention, it is said, to the needs of younger viewers (the 15-to-30-year-olds).

It is expected to feature repeats of ITV's better drama; strong documentaries; music of all kinds, and a variety of films, many of them foreign. There will be a big investment in news, analysis of major issues, and "labelled opinion."

Says Y&R: "More details of the channel's programme plans will be made available later this month. On the basis of what is known so far, however, it seems reasonable to assume that the new service will take the form of a commercial counterpart to BBC-2, and will share many of the latter's characteristics."

Jeremy Isaacs, chief executive of Channel Four: to establish financial viability quickly, it will need a minimum audience share of 10 per cent.

In terms of audience share, says the agency, the Fourth Channel's management recognises that a minimum of 10 per cent, BBC-2's normal level, will be needed to meet the declared goal of establishing financial viability quickly.

Current first-year revenue estimates range from £90m to £129m (net), though failure to achieve an adequate level, says Y&R, could force the channel into over-reliance on cheap imported programme material.

But what about the advertisers?

Those that most immediately stand to benefit from the new channel, the agency declares, will be:

- Advertisers with nationally-sold products or services whose advertising budgets range from £400,000 to £1m—levels often insufficient to provide acceptable advertising weight or continuity of presence on TV nationally;
- Those operating either nationally or semi-nationally, but whose budgets, ranging from £150,000 to £400,000, are too small to permit meaningful campaigns, given ITV-1's current price structure;
- National or semi-national advertisers with budgets in excess of £1m that are at present concentrated exclusively either into TV, or another medium.

Advertisers in the first two categories, says Y&R, will be able to mount reasonably prolonged TV campaigns, either on a national or regional basis, while those in the third will have the chance to run mixed-media campaigns.

"Before use of the Fourth Channel can be incorporated into the plans of low-budget advertisers, however," says Y&R, "agencies and production companies will need to find a solution to the problem of television's high production costs.

"It is unlikely," it says, "that many advertisers will be prepared to spend £30,000 or more on the production of a 30-second commercial, no matter how appealing the prospect of a move to television may otherwise seem."

In its survey of advertising and marketing opportunities likely to arise on Channel Four, Y&R describes the following:

(1) New forms of testing. Regional advertising will be a major contributor to the channel's prosperity, says the agency, and will permit, at economical cost: weight testing (studying the effect of advertising "weights" that vary significantly region to region); test marketing (particularly small brands from big advertisers); time-buying experiments; and advertising copy and advertising continuity tests.

(2) Regional marketing. For purely local advertisers, such as smaller retailers, Channel Four, says Y&R, will be their first opportunity to join the bright lights.

> Channel Four may well administer a boost to new product development, particularly products aimed at younger age groups

(3) National advertising. Once Channel Four gets going, says Y&R, complemented by breakfast television (Peter Jay's TV-AM is scheduled to start broadcasting in May 1983), affordable access to television will be bestowed on advertisers in fields like direct response, finance, corporate, automotive, DIY and household equipment, and leisure goods such as cameras, audio, books and book clubs.

4) New product development. Channel Four, says Y&R, may administer a fresh stimulus to the whole field of new product development, particularly for products aimed at younger age groups. Given the channel's somewhat up-market bias, it says, the new service should offer excellent prospects to advertisers hoping to extend their product range in areas like cosmetics, fashion and leisure wear, magazines, holiday packages, etc.

As for breakfast TV, Y&R sticks by its original estimate that the new cornflakes service will take in between £6m and £8m in revenue over its first 18 months.

There will be a number of obstacles to overcome, it says. For instance, only 21 per cent of households at present own a second TV set, of which about 4 per cent are colour: it is not known how many of these are portable.

It will also take time, says Y&R, to get people viewing at a time of day when their routines are adjusted to other media (radio and newspapers): and it will take time to muster a programme format capable of attracting a regular audience.

Says Y&R: "Time, however, will almost certainly take care of these problems as people adjust their routines and increasingly acquire the means to view. So although the audience will be quite low initially — about half that of afternoon television during the first 18 months or so — there should be a gradual build-up to about 8 per cent of households on average thereafter, with revenue rising to some £14m to £16m in the third year."

Not flush, but rosier

BULLISH NOISES from broker Bone Fitzgerald, which has been totting up the effects of the Independent Broadcasting Authority's decision to finance the preparatory work and early months of broadcasting of the Channel Four company, partly by raising loans itself.

Originally, the IBA had asked the ITV contractors to provide for possible first-year Channel Four subscriptions totalling between £60m and £80m at 1979 prices.

But owing to the time lag between the incurring of start-up costs and receipt of the new channel's first advertising revenues, the companies' 1982 subscriptions are to be cut from a fully-budgeted £124m to £49m, thanks partly to IBA loan finance. (The full figure includes £20m for the new Welsh service on the same channel.)

According to Bone Fitzgerald, the IBA's announcement has cleared up "the last major unknown quantity" affecting the contractors' medium-term prospects: will go a long way towards easing the contractors' cash-flow problems next year: and should both improve their profits outlook and diminish the pressure on dividends.

But it is 1983, the channel's first fully operational year, it says, that will indicate whether Channel Four can indeed pay its way out of advertising revenue and programme sales.

"Initial studies commissioned by the IBA in 1979," says the broker, "suggested that the Fourth Channel could lift ITV's overall revenue by 10 per cent in 1983 (by approximately £70m)."

Since then, it says, the television business has become more confident that advertising prospects are rosier than they seemed, while even the sceptics had at last swung round to the view that advertising budgets were not necessarily hacked to pieces in a recession.

It still believes the Fourth Channel will run at a loss in 1983, albeit a much smaller one than 1982's projected start-up deficit of approximately £40m. It estimates Channel Four's shortfall in 1983 at around £21m.

> Even the sceptics have swung to the view that advertising budgets are not necessarily hacked to pieces in a recession

In passing, it reiterates its forecast of earlier this year of a 7 per cent improvement in net ITV revenue for 1981, to around £563m—a prediction it is sticking with and one that in the present dire climate, it says, indicates a "creditable performance" on ITV's behalf.

It also said last February that given an upturn in the economy towards the end of 1981, 1982's net ITV revenue was capable of generating significant real growth, to around £690m. That, too, seems feasible.

Bone Fitzgerald makes three other points:

- Costs: In the period following their "very expensive strike settlement," says the broker, the contractors had to contend with wage costs up by 45 per cent, plus steep rises in overheads. But it says there is now a concerted effort to hold down cost increases.

A major factor that should help, it says, is that the need to produce expensive franchise fodder with which to impress the IBA during the contract renewal period has receded.

- Satellites: The UK can justifiably be proud of its broadcasting record, it says, and as an experiment with cable TV is now under way, it is possible that the Home Office will use this as an excuse to defer its official blessing of satellite TV.
- Programme sales: "We continue to believe that the contractors will be able to identify a substantial market for programme sales to the new media—ie, cable and satellite TV in the U.S., and the worldwide pre-recorded video software market. The contractors, with their massive studio facilities and expertise, are quite capable of tapping this market" it says.

Milk's £10m takes ABM on to even higher ground

BY CAPTURING the Milk Marketing Board's amalgamated advertising account (FT, August 15), Allen Brady and Marsh has broken into the ranks of Britain's top half-dozen agencies, and produced crystal-clear evidence of its continuing lust for growth.

In 1977, when it opened its first wholly-owned building, ABM House, in London's Norwich Street, it had 130 staff and £10.5m in billing.

Two years later, it added a second building, Marshallen House, and had 180 staff and £20.5m worth of billing. It has now added a third building, Marlen House, has 290 staff, and claims annualised billings of £62m.

(Billings in the current calendar year are expected to be in excess of £50m. The milk account, which moves to ABM next January 1, is estimated to be worth £9m-£10m.)

The milk account, which in cash terms is being described as British advertising's biggest gain ever, is an amalgamation of the MMB's "Put Milk First" campaign, previously handled by Harrison McCann, and the National Dairy Council's "Natural Goodness" drive, handled by Ogilvy and Mather. They are to be combined at ABM in a bid for more cost-effective advertising.

Etcetera

At the same time, the £4m English cheese account has gone to Geers Gross; it was previously split between Harrison McCann and Saward Advertising.

ABM's policy has been to go for the lushest plums on offer, and to blanket prospective clients with a new-business team sometimes up to 40 strong—the number that has worked on the milk pitch since January.

It consistently harvests blue-chip business (it has only 23 accounts in total). Apart from milk, they include British Rail, Midland Bank, Woolworth, Harp lager and International Stores. It is currently pitching for the Thomas Cook account.

ABM founder and chairman Peter Marsh, 50, says the agency has consistently reinvested all its earnings in people, hardware and resources.

He says it is ABM's ambition to be the best-managed agency in Europe. "In competitive pitches, we are usually up against the same range of agencies: Thompson (JWT), Masius, Saatchi's, Y&R (Young & Rubicam), etc. What is very clear is that we out-resource them. Nor do we remit moneys to New York or Chicago. Nor have we ever paid a dividend." (ABM is privately controlled. Mr Marsh and his partner, Rod Allen, own the bulk of the shares.)

"More and more we are being seen as the agency that can absorb large, demanding and enormously complicated accounts. We offer management continuity, and the greatest flexibility. I believe in simple truths like total single-mindedness and utter dedication. There is no magic lozenge on which to suck."

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LOMBARD

The names that make British law

BY RAYMOND HUGHES

OVER THE YEARS the English law has accumulated a gallery of real or mythical figures whose names provide a useful shorthand for a variety of legal processes.

The most famous is probably the ubiquitous Man on the Clapham Omnibus — the common-sensical comman man somewhat patronisingly prayed in aid by counsel wishing to convey to an incredulous judge the view that only a fool could fail to see the virtue and justice of their case.

Then there is John Doe, a fictitious litigant dating from the 17th century, whose roles include standing in for an unknown or unnamed defendant.

In the 1930s a judge, Lord Tomlin, gave his name to the Tomlin Order, by which it is agreed that the terms upon which an action is settled are endorsed on counsel's briefs, without being approved in detail by the court.

Views

There are two possible views about the Tomlin Order. Barristers will privately admit that it is a way of getting round the fact that they have not yet managed to reduce the agreed terms to writing.

Court reporters, on the other hand, invariably take the view that it is an unscrupulous method of ensuring that the terms are concealed from the vulgar and inquisitive press.

Most of those who grace this gallery are, as might be expected, English. In 1976, however, a German gentleman was added to the catalogue.

The name of Herr Anton Piller (it being assumed that he was the founder of the German computer company Anton Piller KG) has become widely bruited about the Chancery Division of the High Court.

It is synonymous with a "search and seize" operation conducted with the court's approval at the premises of those suspected of having made improper use of another's confidential information or manufacturing processes.

Let us suppose that the Man on the Clapham Omnibus harbours such suspicions. He will tell the judge, "My lord, I am being ripped off by Mr X, my competitor / agent / erstwhile associate who, I believe, has on his premises documents or other materials prejudicial to my business."

In fact, of course, such a colloquial version of the facts will be distilled by the lawyers into more temperate language, but the import will be the same.

The judge will then order Mr X, who will not have been informed of the application to the court, to "permit" his premises to be searched by the plaintiff's representatives, and to allow any relevant material to be seized and borne away, on pain of being held in contempt of court should he refuse permission or obstruct the search.

Anton Piller KG suspected that its UK agents were giving away its trade secrets to its German rivals. The Court of Appeal held that, in most exceptional circumstances, where there was a serious likelihood of damage being caused to the plaintiff, a "search and seize" order could be made without the defendant being given prior warning.

The intention was that the defendant should not be in a position to dispose of the material and so frustrate the exercise. It is for that reason that "Anton Piller" orders are nowadays granted at private court hearings, so that the Press cannot let the cat out of the bag or the defendant be otherwise tipped off.

Lord Denning said that the order did not authorise the breaking down of any doors, nor the slipping in by a back-door, nor getting in by an open door or window.

Permission

It only authorised entry with the defendant's permission, but it put pressure on him to give that permission.

"It does more," Lord Denning added: "It actually orders him to give permission—with, I suppose, the result that if he does not . . . he is guilty of contempt of court."

With those words, the name of Anton Piller entered the annals of English law — to the subsequent discomfort of "pirates," bootleggers and others who have sought to make improper use of other people's secrets for their own profit.

New opportunities for U.S. law firms

BUSINESS AND THE COURTS

BY DOUGLAS E. ROSENTHAL

LAST WEEK I explained why U.S. law firms representing U.S. and foreign corporations were coming under increasing competitive and other pressures that have slowed down their previous rapid rate of growth. It would be a mistake, however, to predict the decline of the outside corporate counsel.

As competition increases and some demands fall off, American lawyers will still be needed for other traditional purposes and will perform new services to meet new demands.

It is still true, as Alexis de Tocqueville observed 140 years ago, that law is so central to the American political and economic system that lawyers are indispensable to those operating within that system. They will continue to be indispensable to planning and executing corporate policies in accord with U.S. law and to defending those policies when they are legally challenged.

This is illustrated by the important new deregulation policy of the Reagan Administration. Many former Federal regulations are being revoked by executive order and some new rules by executive branch agencies will have to be justified by a written Regulatory Impact Analysis (RIA) to assess their costs and benefits.

The Office of Management and Budget (OMB) has been given an important monitoring role over agency performance it previously lacked. The OMB designates those rules requiring an RIA, evaluates the adequacy of every RIA submitted, can require an agency to consider additional data and prevent publication of a proposed or final rule until the agency has responded to its recommendations.

There are bills pending in Congress to codify this policy by statute and to expand its application to *independent* regulatory agencies such as the Securities and Exchange Commission.

The likely result of this deregulation is new opportunities for lawyers as advocates before OMB officials, as those who prepare and present the analyses, and as lobbyists seeking to shape the new legislation. This is in addition to their traditional functions as administrative lawyers appearing before the executive agencies which, in virtually all cases, will continue to operate.

Furthermore, the new deregulation policy should not affect substantially the rights of individuals to challenge new or existing laws and rules in private legal actions in the courts.

The extent to which executive policy is subject to attack in the courts under U.S. law is exemplified by pending legal challenges to the constitutionality of the Algerian accords relating to the legal rights of the U.S. citizens held hostage in Iran

In the last 20 years Congress, with a few pauses, has played an increasing role in the U.S. Government. Lawyers are important in monitoring the legislative process and provide an early warning system for significant investigations and legislation. Since the late 1960s there has been a huge increase in the size of Congressional staffs.

This increase in Congressional importance and staff size has been in inverse relationship to the decline in executive branch authority, largely resulting from the traumas of Vietnam and Watergate. Even though President Reagan gives impressive early indications of restoring Presidential authority to a higher level than that achieved by his two immediate predecessors, it is unlikely that he will reverse dramatically this accretion of Congressional power, notwithstanding new Republican control in the Senate.

The importance of Congressional committees, their members and staffs, is insufficiently appreciated outside the U.S. They are significant not only because of their role in fashioning legislation, but because the views of important persons on Capital Hill influence the way the executive branch carries out Federal policy.

Congressman are particularly responsive to public opinion in forming their views. Public opinion, as expressed by interest groups and interpreted by the press, is more immediately translated into policy in the U.S. than perhaps in any other nation in the world. This is because each Congressman and one-third of the Senate stand for re-election every two years. The near-impossibility of maintaining government secrets from the Washington press is also an important factor.

Governmental relations, public relations and legislative lobbying are all recognised by U.S. corporations as an essential and interrelated part of doing business. Law and politics are seen as pervasively interconnected. Lawyers retain an advantage in facilitating these connections.

However, with some exceptions, most notably among the Japanese, even large foreign corporations are much more reluctant to influence the legislative process and public opinion. While other peoples might resent attempts by foreigners to influence their political process, Americans seem to welcome it.

Most of the information relevant to U.S. policy is generated by special interests, including corporations, and is presented by lawyers and public relations specialists. Good information is a source of power in this open and decentralised political process and information from foreigners is no less welcome by officials in all branches of government than information from domestic sources.

As foreign companies come to recognise these realities, new demands for corporate legal services will be created. Lawyers can assist them to learn early what is going on in the U.S. capital that is important to them and in facilitating their access to governmental and public opinion leaders when problems are identified.

A second example of new legal demands results from foreign corporations' increasing investments in and exports to the United States. Corporate lawyers are perhaps most valuable when they are serving as business counsellors identifying and anticipating legal, political and even financial and public relations problems likely to emerge as corporate investment and marketing strategies are put into effect. Nowhere else in the world do laws and legal assessments play so important a role in daily business.

In the 1980s U.S. corporate lawyers will need to enhance their flexibility and innovativeness. Law practice is likely to become even more highly specialised in the sense that outside counsel will not be expert in the full contours of such a former speciality as private international law. Already one can discern that, as the U.S. economy becomes more interdependent with world markets, the international implications of, for example, corporate acquisitions, will be an indispensable area of knowledge for all anti-trust and corporate finance specialists.

Today it may be necessary for internationalists first to become specialists in an emerging area of domestic law. Yet, ironically, successful lawyers will continue to be all-rounders in the sense that, to be effective, they will have to deal with large patterns of change, anticipating issues and finding feasible solutions ahead of the lawmakers, the regulators and their business clients.

The challenge for U.S. lawyers of anticipating change should not only benefit individual corporations but, more generally, U.S. industrial flexibility. It should also add zest to the practice of a traditional profession.

Douglas E. Rosenthal, a partner in the Washington office of Sutherland, Asbill and Brennan, was formerly chief of the foreign commerce section of the Antitrust Division of the U.S. Department of Justice.

Moorestyle to outsprint Marwell

RACING

BY DOMINIC WIGAN

MOORESTYLE, who came right back to somewhere near his best when winning comfortably in France last time out will, I believe, prove just too fast for the favourite, Marwell, in today's renewal of the William Hill Sprint Championship.

Moorestyle, twice a course winner already, over six and seven furlongs, was almost certainly not yet back in top trim when losing to Marwell, Michael Stoute's outstanding filly in the July Cup.

However, that is not the case now and in what seems sure to be a closely fought finish he can justify the National Stud's move for him. The pair should have the legs of Sharpo, one of five course winners in the 10-runner field.

Half an hour after the big sprint (formerly the Nunthorpe) Moorestyle's jockey, Lester Piggott, will be riding Prowess Prince again. Eric Eldin's juvenile gave him a fine ride at Goodwood last time out, coming through close to home to land the Molocombe from Hazim.

Prowess Prince seems sure to acquit himself with distinction. However, I do not see him beating Ireland's sole raider The Minstrel's son, Peterhof.

This colt found a rare turn of foot to settle the Curragh Stakes after racing alone on the stand side and would not, I feel sure, be running today if his owner, Robert Sangster, and his trainer, Vincent O'Brien, were not extremely confident.

Beldale Flutter is now a clear second favourite for the Arc. He beat Kirtling by three-quarters of a length in the Benson and Hedges Gold Cup and proved himself a far better colt than I had given him credit for.

Beldale Flutter was backed down to 8-1 from 14-1 for the Paris race within an hour of his remarkable York comeback, and was in good demand again yesterday.

He is as short as 7-1 in one list behind Kirtling's 10-length spring conqueror Shergar, who heads the betting at 4-5 on. Other prices offered for Europe's richest race include 8-1 Ardross and 14-1 Blue Wind.

YORK

2.00—Fairy Tern
2.30—Senta's Girl**
3.05—Moorestyle***
3.35—Peterhof*
4.10—Silley's Knight
4.40—Grecian Sea
5.10—Cowdenbeath

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only) 9.55 The Wombles. 10.00 Jackanory. 10.15 Godzilla. 10.40-11.00 Take Hart. 1.12 pm Regional News for England (except London). 1.15 News. 1.30-1.45 Chigley. 3.50 The skill of lip-reading. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Scooby Doo. 5.05 Newsround. 5.10 "The Swish Of The Curtain," by Pamela Brown.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Kick Start 81.
6.55 Looking Good, Feeling Fit.
7.25 Top of the Pops.
8.00 Citizen Smith.
8.30 It Ain't Half Hot Mum.
9.00 News.
9.25 The Four Seasons.
10.05 "Shadows On Our Skin."
11.25 Spike Milligan in Q9.
11.55-12.00 News Headlines.

All Regions as BBC-1 except as follows:

Cymru / Wales — 3.00-3.50 pm Golf: West Park Welsh Professional Championship. 5.55 Wales Today. 6.20-6.35 The Liver Birds. 6.50-6.55 Newyddion. 11.55 News Headlines: News and Weather for Wales.

Scotland — 10.10 am The Wombles. 10.15 Cheggers Plays Pop. 10.35-11.00 Think Again. 1.10-1.15 pm The Scottish News. 5.55-6.20 Reporting Scotland. 8.00-8.30 Butterflies. 11.55 News Headlines, News and Weather for Scotland.

Northern Ireland — 4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.55 News Headlines, News and Weather for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich): Look North (Leeds): Look North (Newcastle): Look North West (Manchester): Midlands Today (Birmingham): Points West (Bristol): South Today (Southampton): Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00-11.25 Play School.
4.50 pm Open University.
6.55 Six Fifty-Five Special.
7.30 Mid-Evening News.
7.40 Best of Brass.
8.20 Ingrid Bergman at the National Film Theatre.
9.00 Folk.
9.30 "Mourning Becomes Electra" (five-part adaptation of Eugene O'Neill's drama).
10.20 Festival 81 from Edinburgh.
10.45 Newsnight.
†11.30 Laurel and Hardy in "Men O' War."

LONDON

9.30 am Larry The Lamb. 9.40 Cities. 10.30 Last of the Summer. 11.20 A Big Country. 11.50 Barney Google and Snuffy Smith. 12.00 The Ark Stories. 12.10 Get Up and Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Emmerdale Farm. 2.00 Here Today. 2.25 Racing from York. 3.50 The Andy Williams Show. 4.20 Survival. 4.50 Sierra.

5.45 News.
6.00 Thames News.
6.30 "North To Alaska," starring John Wayne, Stewart Granger and Ernie Kovacs.
8.30 Rule Britannia.
9.00 Spearhead — in Hong Kong.
10.00 News.
10.30 Secrets of Midland Heights.
11.30 Take Six.
12.00 What the Papers Say.
12.15 am Close: "Sit Up and Listen."

All IBA Regions as London, except at the following times:

ANGLIA

9.30 am Sesame Street. 10.30 Welcome to the Ceilidh. 10.55 Joe 90. 11.20 Pro-Celebrity Snooker. 1.20 pm Anglia News. 3.50 The Electric Theatre Show. 4.20 Vicky the Viking. 4.45 Little House on the Prairie. 6.00 About Anglia. 6.35 Crossroads. 7.00 TV Movie. 8.25 Bygones Encore. 10.30 Folio. 11.00 Me and My Camera. 11.30 The Monte Carlo Show. 12.30 am The Living Word.

ATV

9.30 am Larry the Lamb in Toytown. 9.45 The Lost Islands. 10.00 Cities. 11.00 Sesame Street. 1.20 pm ATV News. 3.50 Looks Familiar. 4.20 The Flying Kiwi. 4.45 Little House on the Prairie. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.05 Movie Premiere: "Keeter." 10.30 Here and Now, presented by Zia Mohyeddin. 11.00 Me and My Camera. 11.30 ATV News. 11.35 Hammer House of Horror.

BORDER

9.35 am Tarzan. 10.25 The World We Live In. 10.50 Little House on the Prairie. 1.20 pm Border News. 3.50 The Entertainers. 4.20 Vicky the Viking. 4.50 Project UFO. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 The Thursday Film: "The Doberman Gang." 10.30 The Jazz Series. 11.00 Me and My Camera. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 3.50 Randy Crawford in Concert. 4.20 Sierra. 5.15 Our Little Town. 6.00 Channel Report. 6.10 Lady Houston's Private War. 6.35 Crossroads. 7.00 Curtain Raiser. 7.05 TV Movie: "Beach Patrol." 10.28 Channel Late News. 10.34 Unforgettable. 11.00 Me and My Camera. 11.30 News and Weather in French

GRAMPIAN

9.40 am First Thing. 9.45 Pavilion Folk. 10.10 The Amazing Years of Cinema. 10.40 A Big Country. 11.10 The Adventures of Niko. 11.35 Stingray. 1.20 pm North News. 3.50 Le Village, Un Village. 4.20 Little House on the Prairie. 5.10 Police News. 5.15 Survival. 6.00 Summer at Six. 6.35 Crossroads. 7.00 It's Georgel 7.30 Hagen. 10.30 Soap. 11.00 Me and My Camera. 11.30 North Headlines and Area Weather Forecast. 11.35 Na Criochan Mu'n Ear.

GRANADA

9.30 am The Bubblies. 9.35 The World We Live In. 10.00 Animal Homes. 10.15 Laurel and Hardy. 10.35 The Lost Islands. 11.00 Sesame Street. 1.20 pm Granada Reports. 1.30 Music from the Flags. 3.50 Patterns. 4.20 Little House on the Prairie. 5.15 Think Tank. 6.00 Granada Reports. 6.05 Sunshine Sports. 6.25 This is Your Right. 6.30 Crossroads. 7.00 Walt Disney Classics. 7.05 Thursday Movie Premiere: "The Power Within." 10.30 Love Thy Neighbour. 11.00 Me and My Camera. 11.30 What the Papers Say. 11.45 The Monte Carlo Show

HTV

9.50 am Thunderbirds. †10.40 "Too Many Crooks," starring Terry-Thomas, George Cole, Brenda De Banzie and Sidney James. 1.20 pm HTV News. 3.50 Looks Familiar. 4.20 Spiderman. 4.45 The Flying Kiwi. 5.10 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.45 "The Catcher," starring Tony Franciosa. 10.28 HTV News. 10.30 Scene. 11.00 Me and My Camera. 11.30 The Monte Carlo Show

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Cei Cocos. 4.45 Ser. 5.15-5.20 Cartoon. 6.00 Y Dydd. 6.20-6.45 Report Wales. 10.30-11.00 The Great Little Trains of Wales.

SCOTTISH

9.55 am Simon in the Land of Chalk Drawings. 10.00 Hands. 10.25 How the West was Won. 1.20 pm News Headlines and Road and Weather Report. 3.50 Looks Familiar. 4.20 Little House on the Prairie. 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today (report from the Edinburgh Festival). 6.30 End of Part One. 7.00 Now You See It. 7.30 Danger UXB. 10.30 Soap. 11.00 Festival Cinema. 11.45 Police Surgeon. 12.15 am Late Call.

SOUTHERN

9.35 am Wild Wild World of Animals. 10.00 Freetime. 10.25 George Hamilton IV. 10.50 Survival. 11.15 Bailey's Bird. 11.45 Larry the Lamb. 1.20 pm Southern News. 3.50 The Story of Wine. 4.20 Beachcombers. 4.45 The Flying Kiwi. 5.15 Cartoon. 5.20 Crossroads. 6.00 Day By Day. 6.35 Happy Days. 7.05 "Keeper," starring William Conrad. 10.30 End of Part One. 11.00 Me and My Camera. 11.30 Police Surgeon.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 9.30 Patterns. 10.00 The Beatles. †10.05 Morning Movie: "Hell Drivers," starring Stanley Baker and Herbert Lom. 11.50 The Undersea Adventures of Captain Nemo. 1.20 pm North East News and Lookaround. 3.50 Life Begins at Forty. 4.20 Herculoids. 4.45 Tarzan. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 The Incredible Hulk. 7.55 Big Jack's British. 10.30 North East News. 10.32 George and Mildred. 11.00 Double Top. 11.30 The Questors. 12.00 Take it From the Top.

ULSTER

1.20 pm Lunchtime. 3.50 Stars on Ice. 4.18 Ulster News. 4.20 Little House on the Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.20 Police Six. 6.30 Happy Days. 7.00 Walt Disney Classics "Lend a Paw." 7.05 Thursday Movie: "Make Me an Offer," starring Peter Finch and Adrienne Corri. 10.29 Ulster Weather. 10.30 Soap. 11.00 Me and My Camera. 11.30 Bedtime.

WESTWARD

9.30 am Pro-Celebrity Ten Pin Bowling. 10.10 Thunderbirds. 11.00 Young Ramsey. 11.55 Wattoo Wattoo. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Randy Crawford in Concert. 4.20 Sierra. 5.15 Our Little Town. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Curtain Raiser. 7.05 TV Movie: "Beach Patrol." 10.32 Westward Late News. 10.34 Unforgettable. 11.00 Me and My Camera. 11.30 Faith for Life. 11.35 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Sally and Jake. 9.40 The New Accelerators. 10.05 Bailey's Bird. 10.30 Cartoon Time. 10.35 "The Happiest Days of Your Life," starring Alastair Sim and Margaret Rutherford. 11.55 Wattoo Wattoo. 1.20 pm Calendar News. 3.50 Randy Crawford in Concert. 4.20 Jason of Star Command. 4.45 The Making of Superman. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Walt Disney Classics. 7.05 The Thursday Film: "Hit Lady," starring Yvette Mimieux. 10.30 Past Masters: Jim Laker. 11.00 Me and My Camera. 11.30 A New Kind of Family.

(S) Stereophonic broadcast
‡ Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Paul Burnett with the Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Steve Wright. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Paul Gambaccini with an appreciation of Isaac Hayes. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Steve Jones (S). 7.30 Ray Moore (S). 10.00 Jimmy Young (S). 12.00 Bob Kilbey (S). 2.00 pm Ed Stewart (S) including Racing from York. 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 David Symonds with Much More Music (S). 8.00 Country Club with Wally Whyton (S). 9.00 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.00 Punch Line. 10.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight from The Edinburgh Festival. 1.00 am Trucker's Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

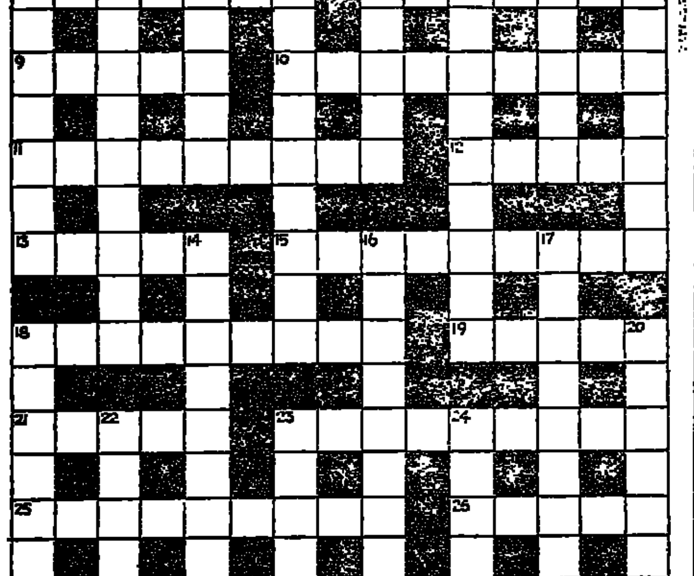
6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Enesco (S). 10.00 Northern University Concert (S). 11.15 Chamber Music (S). 12.00 BBC Scottish Symphony Orchestra (S). 1.00 pm News. 1.05 Ernest Bloch and Max Bruch: Recital (vhf only) (S). 2.00 "Maria Padilla." Opera in three acts by Donizetti (S). 4.55 News (vhf only). 5.00 Mainly for Pleasure (vhf only until 6.10) (S). 7.00 The Vision of Piers Plowman (S). 7.30 Proms 81 (S) (Part 1) Berlioz, Xenakis, Stravinsky. 8.20* So MY Particular Friend (S). 8.40* Proms 81 (S) (Part 2) Stravinsky. 9.30 A Series of Unopened Doors (Memories of 10 Downing Street). 10.20 Purcell's Sonatas (S). 11.00 News. 11.05-11.15 Beethoven piano duet (S).

VHF only—Open University: 5.55-6.55 am and 11.15 pm-12.55 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.45 The Spy Who Came in from the Cold by John Le Carré. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 A Good Read. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 File on 4. 11.50 Enquire Within (S). 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1981 (S). 12.55 Weather; Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 Home Base. 4.15 A Change of Course (3). 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News, including Financial Report. 6.30 Frank Muir Goes Into . . . Science (S). 6.55 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse (S). 7.30 "She Stoops to Conquer". 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Mary O'Hara Sings (S). 12.00 am News.

F.T. CROSSWORD PUZZLE No. 4,651



ACROSS

1 Grab wine in sympathy (7)
5 A favour asked for, concerning expedition (7)
9 Beating peas and beans etc. (5)
10 Ignorance shown in North-eastern branch of study (9)
11 It must be sharp work for a policeman (5, 4)
12 Phosphorescent shrimps right inside an American stream (5)
13 Genuine Frenchman and his domain (5)
15 However, it could be the most uneducated (9)
18 Crowd in front of horse-breeding establishment holding a fastener (5-4)
19 Strands left in pasties (5)
21 Be peevish with a learner and a leaf (5)
23 Extravagant preacher, after conflict, becomes a guarantor (9)
25 Engineers to praise and introduce as suitable for appointment (9)
26 Sordid gain that possibly may be cruel (5)
27 Cloth placed around a food container (7)
28 Locust-tree to steal from in the borders of India (7)

DOWN

1 Decorate a room again, up and down (7)
2 Convey fertiliser to parrot in concoction of tea (9)
3 Duck feast having a smell (5)
4 Language permitted, and it comes from the mouth (9)
5 Rough soldiers with secret agent following (5)
6 Rapid pace in a dance (9)
7 Boredom coming from rotten nuisance (5)
8 Sick in tree and trellis (7)
14 Well-developed male sounds like a shellfish seller (6-3)
16 Sum up a jockey and append a cause (3, 1, 5)
17 A blockhead I trick, using a vocabulary of dialect (9)
18 Dad mixed syrup from ancient manuscript (7)
20 Screamer calling a misere wrongly (7)
22 Silent tabby turning up takes it (5)
23 What about Eastern leader making grain? (5)
24 Notice politician extemporise (2, 3)

Solution to Puzzle No. 4,650

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Tonight, Wed 7.30: ORFEO. Tomor, Tues 7.30: THE MERRY WIDOW. Sat 5.00: TRISTAN ...

ROYAL FESTIVAL HALL ...

SADLER'S WELLS THEATRE ...

THEATRES

NATIONAL THEATRE. S 928 2252. OLIVIER (open stage): Ton't 7.15 THE SHOEMAKERS' HOLIDAY by Thomas Dekker. Tomor 7.15 MUCH ADO ...

WAREHOUSE, Donmar Theatre, Earlham Street, Covent Garden. Box Office 836 6808. ROYAL SHAKESPEARE COMPANY THE SHADOW OF A GUNMAN ...

ADELPHI. CC 01-836 7611. Evgs 7.30. Sats 4.00 and 7.45. Mat Thurs at 3.00. TONY BRITTON, JILL MARTIN, PETER BAYLISS and ANNA NEAGLE in MY FAIR LADY ...

ALBERY. S 836 3878 ...

ALDWYCH. 836 6404 ...

AMBASSADORS. S CC ...

APOLLO. Shaftesbury Av ...

APOLLO VICTORIA ...

CAMBRIDGE THEATRE ...

CHICHESTER Festival Theatre ...

COMEDY THEATRE ...

CRITERION. S 930 3216 ...

DOMINION ...

DRURY LANE ...

DUCHESS. S CC 836 8243 ...

GARRICK ...

GREENWICH ...

HAYMARKET ...

HER MAJESTY'S ...

KINGS HEAD ...

LONDON PALLADIUM ...

LYRIC ...

LYRIC HAMMERSMITH ...

MERMAID ...

CINEMAS

ART GALLERIES

CLUBS

FINANCIAL TIMES
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THE ARTS

Lyceum, Edinburgh

Iphigenia in Lixourion

by B. A. YOUNG

This is the production by the Amphi - Theatre company of Athens that I reviewed last month at the Corfu Festival. It looks even better at the Lyceum than it did at the Corfu open-air house, but some of the long speeches lack the appreciative laughter of a Greek-speaking audience.

The play was written in 1720 by Pieros Katsaitis, who took up the drama after he had served with the Venetian navy against the Turks (the Ionian islands being part of the Venetian empire) and spent some time as a prisoner-of war in Crete—a kind of Greek Vanbrugh, in fact. It is a version of the classic myth of Iphigenia at Aulis, but fitted with a happy ending to suit the local taste, and directed by the author (who appears as a character on the stage) with a company of local amateurs at Lixourion, a small town in the island of Cephalonia, where Katsaitis settled.

The happy end is easily contrived by having a monk rush in just as the fatal blade is about to despatch Iphigenia and ensure a favourable wind for the Greeks and announce that Halkias, the seer who advised the sacrifice, is a cheat. All that Artemis had really demanded was the sacrifice of a hind. So the marriage of Iphigenia to Achilles can go ahead and the Trojan war as well, though that disagreeable dispute is hardly considered.

A new conclusion is only half the tale, however. The company works in the tradition of the Commedia dell'arte, so the legendary Greeks, Agamemnon, Menelaus, Clytemnestra and the rest, are joined by the equally familiar but unexpected characters of Scapino and Sganarelle, who are allowed an afterpiece of their own, after the wedding has been celebrated.

Spyros Evangelatos's production is a treasury of bad acting, observed with an expert eye and reproduced with hilarious exactitude by the players. It is played on a mobile cart with an acting area about 5 ft square. Not only are the members of the Lixourion Rep inexperienced actors, some of them can't separate their normal activities—barber, lawyer, prostitute—from their stage work, which tends to take on appropriate colouring. Iphigenia, a very funny performance by Leda Tassopoulou, is the town half-wit. The dialogue is in rhythmed Greek couplets but British audiences can easily deduce most of the words from the action. At the Lyceum a translation system is provided though not for a line by line rendering, only to give an initial outline of each scene as it comes up. Myself, I found the printed summaries in the programme gave exactly the information I needed.

The play's period shows in its occasional dashes of satire. The priests are Roman Catholic priests who cross themselves in the opposite direction from Greek priests and celebrate their human sacrifice with alleluias, and women on the stage are a novelty in Cephalonia. No wonder Katsaitis had to recruit such improbable players—but how fortunate for us.

Record Review

The music goes round and round

by MICHAEL COVENEY

John Diedrich with Rosamund Shelley, Elaine Paige, Michael Crawford, Gemma Craven, Sylvia "Kuumba" Willams, Carlin Glynn and Henderson Forsythe

Big musicals are suddenly big business again. The time has come to listen to a plethora of show albums and I had better be quick about it before the new London cast recording of *The Sound of Music* jumps into the pile. I do not care if it is the biggest showbusiness blockbuster of all time. Millions of people can be wrong and frequently are. The revival of *Oklahoma!*, an infinitely better Rodgers and Hammerstein product, is doing only moderate business at the Palace, but the recording (Stiff Records OAK 1), made before a live audience, confirms John Diedrich's Curly to be every bit as powerful as Howard Keel's and the score to contain at least six geneuine standards ("People will say we're in love," "Many a new day," "Oh what a beautiful mornin,'" etc).

Oklahoma! first stunned Broadway in 1943 and it was four years before it came to London. Sandy Wilson once told me how his post-war Oxford generation, or at least a select few of them, crammed into Kenneth Tynan's rooms in Magdalen College to receive, with mounting excitement, the original cast recording as it arrived in tantalising instalments.

It was the right sound, of course, for the right time. Would there be, on the other side of the world, the same sort of feeling about *Barnum* (AIR CDL 1348) or *Cats* (Polydor CATX 001)? I doubt it somehow. Both shows have tremendous qualities in the theatre, but dwindle alarmingly in plastic permanence. Neither is a landmark show in the way that, for our day, *Hair* and *A Chorus Line* were. The first act of *Barnum* closes with Michael Crawford singing "Out There" as he crosses a trapeze to commit adultery with Jenny Lind, the Swedish nightingale. Earlier on, the propagator of humbug builds his museum in "One Brick at a Time," a brilliantly staged number for actors and flying bricks.

Neither of these songs lives on record. The whole show sounds tinny and second-rate. It was written by two old hands who know their way around the musical theatre, Cy Coleman (music) and Michael Stewart (lyrics). It is tempting to think that they are deliberately aiming low to justify Barnum's claim to tacky fame. At the Palladium, Michael Crawford gives a knockdown star performance, but his voice is characterless in the recording studio. Even the hyperthyroid "Come Follow the Band" which opens the second act with the massed bands of the Potomac stomping up the aisles is irritatingly tedious on disc.

Cats has two things going for it: the choreography of Gillian Lynne which at last proved the British could do a dance musical of their own, and the inventive variation of Andrew Lloyd Webber's score. People are camping out in Drury Lane to try and prise tickets from the box office. The record reveals great stretchers of the musical, especially those involving Old Deuteronomy, to be extremely boring. Elaine Paige, as the world knows, sings "Memory," one of the best half-tunes Puccini never wrote, given the full lush strings treatment. And Lloyd Webber moves cleverly into new areas (for him) of pastiche. The quality of the recording is very high and the most distinctive voice proves to be not Miss Paige's but Paul Nicholas's.

When I first saw *They're Playing Our Song* (CHOP 66) at the Shaftesbury, I loved it. Gemma Craven and Tom Conti are the stars of the London recording, the latter now replaced on stage by Martin Shaw. Efforts have been made to isolate "I Still Believe in Love" from this schmaltzy, self-regarding show by Marvin (*A Chorus Line*) Hamlisch and Carole Bayer Sager and make of it a standard. The song refuses, point blank, to respond. And so did I when I listened to the LP and revisited the theatre. The show, most curiously, has just died on me.

The home of the musical in London is the Theatre Royal, Drury Lane. This is the ideal setting for *Glamorous Night* or *Oklahoma!* but producers are finding it more difficult these days to follow in that big-scale popular tradition. While the tills are alive with the sound of muzak over at the Apollo, Victoria, *The Best Little Whorehouse in Texas* (MCA 3049, American cast) bows out of the Lane after a run of only a few months. Few things upset me more than having my teeth drilled, but country music is usually one of them. So no one was more astonished than your correspondent at the enormous pleasure I derived from *Whorehouse*. The American stars, Carlin Glynn and Henderson Forsythe, led the London production and the record transmits all the charm and hoedown spirit of a memorable evening.

That, of course, is the other function of a good show album: it acts as a memory jerker as much as an appetiser. I can even muster the occasional *frisson* from recording of flops like *I And Albert* or *Barmitzvah Boy*. But there are shows I have not seen—Sandy Wilson's *Valmouth* and *Divorce Me, Darling* (although amateurs in Islington did the latter splendidly two years ago), or Stephen Sondheim's *Follies* (one of the truly great musical scores), *Anyone Can Whistle* and *Pacific Overtures*—whose recordings hit my turntable several times a year.

There are very few songs on the albums I have discussed that will enter the popular repertoire, so it is useful to be reminded of the outstanding partnership of Rodgers and Hart on the latest independent release from That's Entertainment, *Pal Joey* (TERX 1005). The production at the Albery has been ridiculously over-praised and I cannot bear Sian Phillips's sleepy version of "Bewitched, Bothered and Bewildered." But, as with *Oklahoma!* there are at least half a dozen great songs and the revival's band has been inflated to fine orchestral proportions under the direction of Grant Hossack.

Standards from the black vaudeville era of the 1920s abound on the original cast album, recorded live at the Village Gate in New York, of *One Mo' Time* (WB 56850). That cast is currently setting the stage alight at the Cambridge and here is a marvellous opportunity to hear once again such wonderful Bessie Smith numbers as "Kitchen Man" and the unambiguously titled "You've Got the Right Key but the Wrong Keyhole." An extra bonus on record is the contribution of the great jazz trumpeter Jabbo Smith whose playing, more than anything else on the disc, is an assurance of authenticity.

Luxor, 1839 by David Roberts

Fine Art Society

David Roberts

by BRIONY LLEWELLYN

It is difficult to imagine a time when photographs, films, books and package tours did not make the culture and scenery of the Middle East easily accessible. Yet so it was a century and a half ago when David Roberts (1796-1864) visited the area and brought back to an admiring public the material for a superb series of lithographs, published during the 1840s as *The Holy Land, Syria, Idumea, Arabia, Egypt and Nubia.*

Political, historical and religious associations had already stimulated a vogue for the Middle East and David Roberts was by no means the first British artist to travel there, but his lithographs were the most complete and accurate a record of its monuments to date and, as such, exerted a considerable influence on the Victorian vision of the East. Even today Roberts is best known for his depictions of Egypt and the Holy Land; yet, although he continued to exhibit eastern subjects at the Royal Academy for many years after his return, these were liberally interspersed with scenes from several other countries, including his native Scotland.

He was talented, energetic and hard-working and his career progressed from humble beginnings as a house painter and decorator, through scene painting for the theatre and illustrations for travel books, to a well-respected exhibitor and member of the Academy, honoured in both London and Edinburgh. A friend of Turner, Landseer, Dickens and Thackeray and patronised by Queen Victoria and Prince Albert, he took part in many of the artistic projects of his day. His artistic aims and approach differed little in general concept to those of his contemporary Continental view painters—Prout, Clarkson Stanfield, Harding and Holland. He was very much a man of his time.

The capacity of his work to give pleasure today, in spite of changes in aesthetic standards, is ably demonstrated by this show. The exhibits range from his journals and rapid thumbnail sketches, through pencil and wash drawings and the more highly worked watercolours and lithographs to the powerful *mise en scene* of the *Departure of the Israelites*, akin to the exotic architectural fantasies of John Martin. Executed in 1829, before his travels to Spain and the east in the following decade, this painting reveals an aspect of his art different from the more realistic, topographical views which resulted from those travels. When these two aspects come together, when he combined realism with his feeling for light and, above all, for the dramatic potential of architecture, Roberts created his best work.

The magnificent temples of ancient Egypt lent themselves perfectly to such treatment—*Temple of Dendera, The Outer Court of the Temple of Edfou*—but so too did the Gothic and Baroque excesses of Burgos Cathedral, the solemn, majestic interior of Venice's SS. Giovanni e Paolo, the bustling market-place of Abbéville and Edinburgh Castle perched above the city. In these, although the figures are dwarfed by the sheer mass of stone, they lend vital touches of colour and warmth which enhance the unity and vigour of the whole. In other examples, where figures and architecture are less well integrated, the effect can be stiff and dull. In spite of his preference for scenes in which architecture predominates, Roberts' success with a wide expanse of landscape is demonstrated in a view from Luxor over the Nile to the arid mountains of the west bank and in another of the Nile with Luxor temple in the background.

Later in life Roberts' handling became freer and softer and his composition often less powerful, although the fiery reds and oranges of *A Recollection of the Desert on the Approach of the Simoon* (painted in 1850 for Dickens) and the vast, pinnacled *Tombs of the Scaligeri*, Verona (1856) show that his dramatic bent did not entirely desert him.

Organised by the Scottish Arts Council, with the help of Helen Guiterman, the leading authority on Roberts, the exhibition, formerly in Birmingham, is at the Fine Art Society until August 26, and will then tour Scotland during the autumn.

'Doctor Faustus' in Manchester

The new season at the Royal Exchange Theatre in Manchester opens on September 17 with a revival of Marlowe's *Doctor Faustus* directed by Adrian Noble. Ben Kingsley, soon to be seen as Gandhi in Richard Attenborough's film, plays the title role and James Maxwell will play Mephistopheles.

Adrian Noble's first production for the Royal Exchange was *The Duchess of Malfi*, seen in Manchester and the Round House in London. The same production team — Noble, designer Bob Crowley and composer George Fenton — is responsible for *Faustus*.

John Clements leaves Guildford

Sir John Clements, due to play the leading role in a revival of J. B. Priestley's *The Linden Tree* at the Yvonne Arnaud Theatre, Guildford, has been taken ill and replaced by Patrick Barr.

The production, directed by Val May, opens on August 25, starring Constance Cummings. The cast also includes Harry Meacher, Elizabeth Bell, Pamela Salem and Judi Bowker.

New comedy at the Garrick

Caught in the Act, a new comedy by Trevor Cowper, opens at the Garrick Theatre on September 4. Directed by Roger Redfarn, the cast includes Martin Jarvis, Judy Geeson and Peter Blythe. All seats for the first preview on August 25 are £3, with a gradual increase until the opening night, when prices will be fixed at £7, £5 and £3.

Shaw

Bartholomew Fair

by ROSALIND CARNE

The National Youth Theatre has chosen an ambitious play to open its new season. Ben Jonson's episodic slice of Jacobean life has a cast of over 40, and at least half these performances call for exceptional brilliance if the drama is not to pall. Moreover, despite the universal relevance of hypocrisy, *Bartholomew Fair* is an intensely contemporary work. Jokes about puritans have a tart 17th century flavour, though roguery, naivety, pomposity and greed, have all worn remarkably well over three and a half centuries.

In other ways it is an excellent text for young actors. The mood is exuberant and optimistic, despite a satiric core, and the one character whose worldy wisdom verges on cynicism, Humphrey Wasp or "Numps," is hardly sympathetic. He is played with fine conviction and presence by Matthew Townsend who has the additional virtue of a strong voice and clear delivery. This is not the case throughout, and causes some comprehension problems for the audience in so pre-eminently verbal a piece: the speed of action is a directional plus, but speech occasionally accelerates in the excitement.

The fairground action centres around the steaming pig tent and its fleshly proprietor, Ursula. Sally Dexter has near adequate proportions for the part, augmented by a ferocious enthusiasm as she floors unpopular customers with a thrust of the hip. On the other side of the moral fence, the hypocrite Zeal-of-the-Land Busy has an almost childlike innocence in his pomposity, faintly comic but insufficiently robust. Philip Beckwith as Adam Overdo might do better to smooth down his mannerisms in his search for "enormities," though he has talent to work on. Among the rest, only Lawrence Good as Quarlous shows exceptional ability, commanding attention at every line and darting movement.

Elizabethan and Jacobean low life is usually unconvincing on the modern stage, so it is interesting to see a production that, for all its occasional fumblings and longueurs, is more successful in presenting street life than the manners of gentle folk. The opening scene in Littlewit's house has the halting feel of a mere introduction. We are then thrown into the festivities with some vigour, although the large stage appears somewhat bare with its simple curtained booth, and single stall. However, I am informed that the NYT's expenditure continues as normal, despite the axing of its Arts Council grant. Money has begun to filter in from private sources and the season's 10 planned productions, rather than the normal five, suggest a take-off, not a swan song.

Elizabeth Hall

Alicia de Larrocha

by RONALD CRICHTON

The Spanish pianist, a too infrequent visitor, drew a large audience on Tuesday night for her Summer Music 1981 recital. A mixed programme, with a Spanish second half and a first introduced with two sonatas by Sor but otherwise consisting of Mozart's C minor Sonata K 310 and the Bach-Busoni Chaconne. Rhythm informs everything Larrocha does, natural rhythm securely based, never motoric. Also lucidity — the lucidity of strong sunlight producing deep shadow. There were marvellous depths in the quiet stretches of the Chaconne, with the line singing like Casals' cello, integrity unadorned.

The Chaconne blazed with strength without ponderousness. One felt what Busoni brought to Bach not only in instrumental apparatus but in Latin culture. The texture was like Spanish ironwork, not the decorative domestic kind but ferocious medieval grilles and tormented Gaudi gateways—the torments controlled by, again, rhythm and lucidity. Larrocha can be unsparing but she does not clatter. Her Mozart was direct, perhaps, a little too much so for some northern sensibilities.

The Spanish half included two groups of Granados, with four of the once popular op 37 Spanish Dances. When they are played like this, the gap between them and his later *Goyescas* does not seem so wide. The *Allegro de concierto* won a Madrid competition for virtuoso test-pieces—Falla also competed, was given honourable mention, but never published his entry. Granados sweetened his obstacle race with warm-hearted tunes and seductive rustlings. It is surprising that the piano-tigers haven't taken over such a lavish firework display. They will be lucky if they do it half as well as this piano-tigress.

Falla was represented by the suite from *El amor brujo*, heard less often now that performances of the whole work in its original form are common. One learns more about the music, though, from Larrocha's piano than from many orchestras—maters of accent (those explosive hiccups in the "Chanson du feu-follet" for example) and the articulation of the big seven-eight tune. In the much-punished "Ritual fire dance" the pianist, one could have sworn, used an unseen third hand. She is too honest a player to "make things seem easy." The clarity is such that her feats were heard to be abominably difficult, and clarity also ensures that one hears how supremely well she performs them.

'David Anderson QC' at the Lyric Hammersmith

After productions last year in Manchester and Edinburgh, *The Case of David Anderson, QC* by John Hale is coming to London. Chris Parr's production opens at the Lyric Studio, Hammersmith, on September 14.

The former Solicitor General for Scotland is still fighting a battle to clear his name after he lost his seat as Conservative MP for Dumfries because of a confidential police file, which he has not seen, containing a number of accusations of importuning young women. These charges have not been tested in court and Mr Anderson denies them.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1980							
17st qtr.	109.9	100.3	100	110.2	155.6	1,379	193
2nd ptd.	106.6	97.1	98	109.2	164.2	1,498	159
3rd qtr.	103.4	93.5	84	108.9	170.3	1,699	120
4th qtr.	100.6	89.4	79	109.0	205.2	2,020	98
Dec.	100.0	88.4	79	108.4	236.0	2,137	99
1981							
1st qtr.	99.5	88.8	97	112.7	174.4	2,304	100
2nd qtr.	98.9	88.5		111.3	180.6	2,507	89
Jan.	99.0	88.4	90	114.0	177.6	2,228	104
Feb.	99.4	89.3	91	112.9	170.1	2,334	98
March	99.7	88.7	109	111.4	175.3	2,381	97
April	99.1	88.6	92	111.4	181.6	2,452	94
May	98.2	87.5		110.6	177.1	2,515	92
June	99.5	89.3		111.7	182.7	2,552	83
July				110.5		2,582	92

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
1st qtr.	109.9	100.3	100	110.2	155.6	1,378	193
2nd qtr.	106.6	97.1	98	109.2	164.3	1,495	159
3rd qtr.	97.0	96.0	117.2	91.9	76.6	82.2	12.5
4th qtr.	93.9	90.8	116.3	85.9	70.6	77.2	10.1
Dec.	93.0	89.0	117.0	84.0	70.0	76.0	7.1
1981							
1st qtr.	94.3	87.3	117.4	83.5	76.5	77.9	10.9
2nd qtr.	93.7	86.1	117.8	82.7	80.5	76.0	14.6
Jan.	94.0	88.0	116.0	84.0	74.0	77.0	10.3
Feb.	95.0	87.0	118.0	83.0	78.0	79.0	11.3
March	94.0	87.0	118.0	83.0	78.0	78.0	11.2
April	94.0	87.0	117.0	84.0	77.0	75.0	12.6
May	93.0	86.0	117.0	81.0	79.0	75.0	14.1
June	94.0	86.0	119.0	83.0	85.0	76.0	17.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export	Import	Visible	Current	Oil	Terms	Resv.
1980							
1st qtr.	133.0	126.9	−388	+ 54	− 95	101.0	24.57
2nd qtr.	126.2	126.2	−320	− 88	− 11	103.4	28.15
3rd qtr.	125.1	118.7	+616	+870	−157	105.5	28.08
4th qtr.	126.5	111.8	+1,269	+1,885	+222	105.6	27.90
Nov.	129.4	114.6	+410	+615	+ 54	105.6	28.19
Dec.	125.7	114.5	+333	+559	+ 35	105.1	27.48
1981							
1st qtr.							28.54
2nd qtr.							26.73
Jan.	123.9	101.3	+742	+1,042	+210	106.4	28.39
Feb	121.7	114.3	+314	+614	+231	105.1	28.43
March							28.21
April							28.07
May							26.49
June							25.63
July							24.57
	volume	volume	balance	balance	balance	trade	US$bn*

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1980							
2nd qtr.	− 1.5	10.7	23.3	+3,472	697	1,964	17
3rd qtr.	11.8	36.1	45.2	+6,336	1,090	1,938	16
4th qtr.	8.8	20.1	11.2	+3,348	1,253	1,783	14
Dec.	16.1	20.9	7.0	+ 928	448	605	14
1981							
1st qtr.	6.5	8.7	12.4	+1,278	1,031	1,884	12
2nd qtr.	23.3	15.5	6.5	+4,102	1,103	1,936	12
Jan.	5.8	11.7	10.0	+ 342	446	620	14
Feb .	13.1	7.9	12.8	+ 103	366	638	14
March	0.9	6.7	14.2	+ 833	269	626	12
April	25.5	13.8	3.3	+2,014	236	655	12
May	22.3	19.3	6.9	+ 951	436	607	12
June	22.1	16.6	8.7	+1,137	371	674	12
July	14.4	16.1	19.9	+2,141	290		12

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1980							
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	94.5
3rd qtr.	188.4	201.9	203.6	268.9	259.3	273.15	96.7
4th qtr.	193.3	203.3	206.1	273.9	260.7	259.25	100.2
Dec.	197.3	205.1	206.7	275.6	262.7	262.53	100.2
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.36	101.3
2nd qtr.	202.1	225.8	219.4	294.0	277.0	245.07	97.3
Jan.	193.3	209.7	209.9	277.3	266.7	251.88	102.0
Feb.	194.8	214.0	211.9	279.8	268.9	259.93	102.5
March	197.8	217.8	215.1	284.0	270.6	261.56	99.7
April	199.3	221.3	218.0	292.2	274.2	258.61	98.9
May	201.6	226.1	219.2	294.1	276.7	255.14	98.8
June	205.4	229.9	221.0	295.8	280.0	245.07	95.4
July		232.8	222.1			275.81	92.5

* Not seasonally adjusted.

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Australia tries to ride a boom

AUSTRALIA HAS problems which many countries would wish were theirs—how to handle a resources boom and how to limit the inflationary pressures caused by a large infusion of foreign investment. Tuesday's budget goes only some way to tackle the problems caused by this foreign capital and further measures will probably be needed. Yet the budget is important, both because of its timing and its content.

The present spate of foreign investment in Australia's minerals and energy resources seems more durable than the boom which slipped through the country's fingers ten years ago. Even so, one or two problems have surfaced of late. The second thoughts of two major aluminium companies over investment in new smelters are indicative of the troubles caused by rising domestic energy costs while, on the other hand, there may be some slippage in coal-based projects following the recent easing of prices on the oil market. Further, the government's recent request that Shell follow the example of Caltex and sell 35 per cent of its Australian operation to local investors has caused disquiet abroad.

Capital inflow

But the government of Mr Malcolm Fraser is probably correct in expecting an increase in net capital inflow in the next fiscal year: in the year to June 1981 it amounted to around A$6.5bn (£4.1bn).

This inflow helped fuel the 4 per cent real increase in non-farm income in the last fiscal year; farm output fell, as a result of a drought, bringing the overall rise in GDP down to just under 3 per cent. But the inflow also caused growth in M3, the broad-based money supply, to exceed the government's targets. This happened despite credit being kept tight for Australian industry.

Inflation has been running at an annual rate of just under 9 per cent. The budget sets out to control this in the coming fiscal year by establishing an 11 per cent target for growth in M3 and aiming at a strikingly low 0.1 per cent government borrowing requirement. It also puts emphasis on the need to control wage increases.

In the past 12 months real wages have grown by around 4 per cent, but despite these real gains the country's well-tried wage arbitration scheme has broken down in the face of workers' demands for more. The country is now without an incomes policy and wage increases are being largely left to negotiation by individual employers already squeezed by rising interest rates and costs.

This problem of wage settlements is one of the major uncertainties besetting the economy. A second problem is whether Australian economic growth is slowing down—despite the foreign interest—to an extent which makes the increase in taxation foreseen in the budget too large.

The government also faces the political consequences of its budget. It has been criticised for raising income tax bands by less than inflation. Also, by extending indirect taxation to a range of consumer goods, publications and building materials, it has brought the wrath of the whole opposition down on its head.

The Australian Democrats, which hold the balance in the Australian Senate, have joined the Labour Party in strongly opposing what is one of the central elements of the government's budget. There are suspicions that the increase in direct taxation is designed to allow a cut in income tax rates before the general elections due by 1983.

Beyond the short-term repercussions of this restrictive budget it will be the way the government responds to the continuing foreign capital inflow which will be crucial. Put simply, the government has to face growth in the current account deficit as the capital inflow rises. It can do this in two main ways. The first is by allowing the Australian dollar to continue to rise; this year it has risen about 10 per cent against a basket of the currencies of the country's major trading partners. But this hurts farmers who wish to export as well as much of the country's weak and relatively protected manufacturing sector.

Quotas

The alternative is to reduce the quotas and tariffs which protect key industries such as motor vehicles, textiles, footwear and clothing. Such a move penalises the inefficient firms rather than indiscriminately effecting all firms, as a rising exchange rate does. So far Mr Fraser has resisted pressure to reduce Australia's protectionism. But now that the budget is tabled it is time for him to grasp this nettle.

Two many cartels for comfort

THE FORCE of competition, which in a market economy is the main guarantee that businesses will strive constantly to raise their efficiency and improve their products, has been disappointingly weak in much of British industry for years. Indirect evidence for this is provided by the very fact that, in a more competitive economy, the inefficiency and overmanning that has been endemic in Britain would not have survived for nearly so long.

But in in the past few months, much more direct and practical evidence has been coming to light about the lack of competition in many parts of the British economy. On Monday, the Office of Fair Trading announced that it would be taking court action against Davy Roll Company and British Rollmakers for operating a secret price-fixing arangement in supplying cast steel rolls for the UK market. This was the latest in a disturbing list of secret cartel agreements, involving subsidiaries of such leading firms as ICI, BP, Thorn-EMI, Davy Corporation and British Steel, which have been uncovered in the recent months by the OFT.

Distorted

Adding the four recently discovered cartels to those that have been ruled unlawful by the Restrictive Practices Court in the past, the picture that emerges is one of severely distorted competition in parts of British industry. Extensive systems of price-fixing, market-sharing and collusive tendering have been revealed in industries as disparate as road blacktop, telephone cables, concrete pipes, copying equipment, polyester resins, gas boilers and bread manufacturing. To make matters worse, it is generally believed—in industry and in government—that the cartels that have come to light, usually by the chance revelations of an aggrieved customer or a disgruntled cartel member, are only the tip of an iceberg of anti-competitive practices.

The reason for suspecting that secret cartels may be more widespread than the number of cases uncovered by the OFT might immediately suggest is that the powers of enforcement and investigation under the Restrictive Trade Practices Act are very limited. The OFT cannot initiate investigations or call for documents unless it already has firm evidence that a secret cartel exists and can specify exactly the documents it requires.

Occasionally the existence of a cartel is admitted by some of the parties themselves. After being fined in the concrete pipes case, the British Steel Corporation has undertaken to study its past and present trading agreements and reveal those that should have been registered with the Office of Fair Trading. So far there has been one revelation, but others could follow.

In some cases, cartels have been discovered as a result of Monopolies Commission investigations. These involved very long delays and high costs both for government and for the industries involved. A suspicion that a restrictive agreement may exist would certainly not be regarded as sufficient reason for instituting a Monopolies Commission investigation, or even one of the shorter investigations permitted under the new Competition Act. Irrespective of the practical considerations, the legislation is framed in such a way that Monopolies Commission and Competition Act powers cannot be used to pursue cases that might fall under the Restrictive Trade Practices Act.

Penalty

An even greater problem than the lack of effective powers of investigation is the absence of deterrents against operating restrictive agreements. All such agreements are supposed to be registered with the OFT. They are then usually challenged in the Restrictive Practices Court and declared void. However, the only real penalty for failing to register an agreement is that companies that wronged parties may sue for civil damages if the restriction is discovered. Only if a cartel persists in operating an agreement after it has been discovered and declared void by the court can fines and criminal penalties be imposed. With each new restrictive agreement that emerges it is becoming clearer that the law is in need of a thorough overhaul.

GOODBYE MLR

The Old Lady changes her ways

By Peter Riddell, Economics Correspondent

A THREE-YEAR period of transition in the UK monetary system ends today. This was neatly symbolised at the Bank of England when a curtain was drawn over the notice announcing Minimum Lending Rate.

Instead of MLR the Bank will try to keep short-term interest rates within an unpublished band which will be varied from time to time. The hope is that movements in interest rates will become more flexible and market pressures will have a greater, though still only partial, influence over the structure of rates. This switch is being reinforced by a broadening of the framework of monetary control (discussed in the accompanying articles).

Nothing dramatic is likely to happen this morning. This is partly because moves towards greater flexibility in the Bank's daily operations in the money markets have been introduced gradually, especially since November. One result, for instance, is that MLR has had little practical significance for several months. Its suspension will have minimal impact, apart from the important unresolved question of its use in legal contracts.

The real significance of today's events is that they mark the end of a virtually continuous debate which started in late 1978 about the functioning of the monetary system.

At stake is not the objective of controlling the money supply—the key question is how this is to be achieved.

The system has been too rigid. Whenever strains have appeared—such as a surge in the money supply, a fall in sterling or City doubts about the direction of government policy—adjustments have not been smooth. It has usually proved impossible to sell conventional gilt-edged stocks, aggravating the problems of monetary control, while there has been a bias towards delay in changing short-term interest rates.

This has tended to force a dramatic statement involving a sharp rise in MLR and changes in the selling price of gilts, in the hope of regaining market confidence and control over the money supply.

The changes have been aimed at introducing more flexibility. At one level there have been a series of innovations intended to provide a smoother pattern of gilt sales. This has involved the issue of partly paid stocks, offers by tender, the issue of informal tranchettes of stock outside the tap system and, most significantly, the offer of index-linked stock to pension funds. Together these changes have allowed stock to be sold even at times of market uncertainty.

More contentious has been the debate about how to make short-term interest rates more responsive to threats to monetary control. This came to a head a year ago when the money supply jumped by 5 per cent in a single month. As a result the Prime Minister intervened in characteristically vigorous fashion, criticising the Bank and seeking improvements.

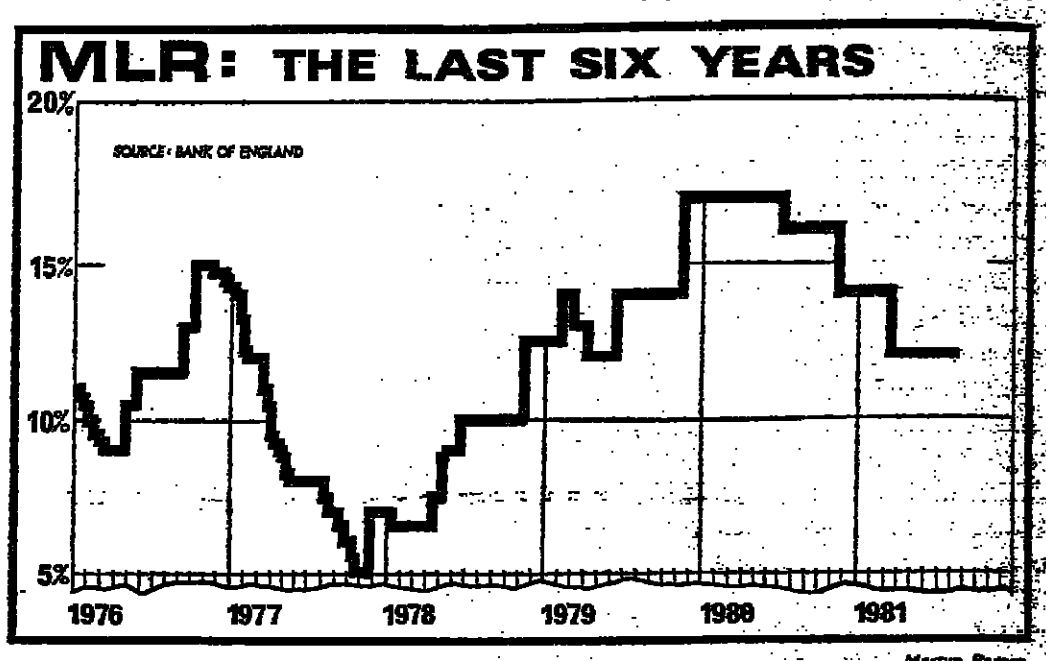
In particular, the debate focused on whether the existing discretion over interest rates should be replaced by a clear framework of rules. Interest rates would then move in response to a policy of directly controlling the supply of money available to the banks, known as the monetary base system.

The actual changes are more modest and evolutionary. In part this reflects the Bank's desire not to risk major disturbances in the institutional structure of the City in exchange for uncertain longer-term gains. The Treasury has, after considerable discussion, also opted for caution because of a reluctance by Ministers to gamble after the problems of the last two years. There is no wish to see a repeat in the UK of the volatility seen in U.S. interest rates.

The compromise appears to have won widespread backing including that of the Prime Minister. This approach is consistent with a later move towards monetary base control though this looks unlikely for quite some time.

There are still many uncertainties about how the modified system will operate. In particular, how will the authorities' discretion to move the unpublished band of short-term interest rates be related to the monetary target and perhaps also to exchange rate objectives?

It is also unclear how far the City markets will feel able to make up their own minds about interest rates or whether they will still seek a lead from the Bank. After all, MLR was at one stage supposed to be market-determined. For all the hopes of greater flexibility, the markets are still likely to be heavily dependent on the Old Lady.



Martyn Barnes

MONEY MARKETS

Smoother ride for some passengers

A NEW framework of monetary control falls into place in the London money market today, not a new monetary system. It is no more possible from studying the design to tell what may be done with it than guess, from looking at a new type of aircraft, where it is about to fly.

But the builder of the Bank's Mark-II control jet, while maintaining the elegance and sobriety associated with the marque, has tried to iron out several faults which have occasionally given the passengers a turbulent ride.

For example, used to be required to pay excess baggage on every trip by matching 1½ per cent of their eligible liabilities—roughly speaking, the bulk of their deposits—with funds left interest-free with the pilot. The airline cannot simply dispense with this, for it is the interest it earns on this endowment money which keeps the pilot in gold braid. So all assengers—banks and licensed deposit-takers—will now have to keep ½ per cent of their ELs in interest-free accounts.

The foreign bank passengers have always resented their status as second-class citizens. Their main grievance has been that the airline has never accepted their cheques — that is, the bills they issue.

So long as bills did not matter much, this was a minor complaint, but over the last year the private sector bill market has been elevated to a central position in monetary control. It is through buying and selling bills, rather than through giving credit, that the Bank of England now balances its books with the commercial banks, and that after all, is the main reason for the flight.

Because the Bank was so fussy about whose bills it accepted, it sometimes had trouble finding enough to buy. So now the foreign banks' bills are eligible, as long as British banks get a decent deal on board the relevant foreign airlines.

The clearers and the foreign banks have been at one in their irritation at the treatment of the first class or discount house passengers, who sit so close to the pilot they can hear government ground control in his headphones, wear top hats in the cockpit and — it is rumoured — drink champagne at the airline's expense.

In future the houses will occupy a new club class. Commercial banks will still have to keep quite a lot of cash on deposit with the discount houses, though only about two-thirds as much as they had to before.

But it is still unusual for the pilot to deal direct with the tourist class banks. He likes to see the discount houses, who drop in on him in the cockpit twice a day, before and after lunch. They are required to guess what maturity of bill he will deal in and at what price, and to make him offers; houses which offer paper too dear or of the wrong date are liable to be penalised.

The rates at which the Bank of England deals are of enormous importance to all the passengers, and to ensure that they receive information at the same time as the discount houses, he will broadcast to the whole aircraft by means of the Reuter Monitor. Banks pay a small supplement—to Reuters—for this service which was not installed on previous aircraft.

Captain Coleby of the Bank of England money squadron and his crew were trained in Tiger Moths, and just occasionally in recent weeks a firm directing hand on the joystick has replaced the automatic pilot. Old-fashioned signals have been emitted, involving lending to the discount houses at penal rates, making them pay for their own champagne.

Martin Taylor

BANKS

Serious threat to traditional overdrafts

THE NEW system of monetary controls poses a serious threat to the future of one of the pillars of the UK banking system—the traditional bank overdraft.

Twenty years ago the overdraft accounted for more than 90 per cent of bank lending. Today it accounts for less than half.

The ordinary bank customer probably does not realise it, but the overdraft is one of the few really top quality services provided by British banks, and is the envy of other bank customers around the world. It is cheap, flexible, and, most important, the customer rather than the bank manager has complete control of it.

The overdraft has been declining in relative importance for some time. Banks have switched much of their hard core overdraft lending on to medium term loans and many personal customers now find they are being offered structured personal loans rather than an overdraft facility they would have been given in the old days.

Term lending tends to be more profitable for the banks than overdraft lending and equally important they can control its use, switching new lending on and off to suit their needs. The big problem with overdraft lending is that at any one time less than half the facilities are used. At the moment bank customers have total overdraft facilities of £33.1bn of which only £15.9bn has been drawn down.

If customers decide to take another £5bn, the clearing banks can do little to stop them, and under the new monetary controls they could be in an embarrassing position. At worst they could be forced to overdraw their own accounts at the Bank of England, and this is something the authorities would take a dim view of.

Even before the arrival of the new system of monetary controls the clearing banks were having trouble with some of their big corporate customers who would draw down their overdraft lines and reinvest the money at higher rates whenever bank base rates got out of line with money market rates, a technique known as arbitraging or "round-tripping." If bank base rates are 12 per cent, blue chip borrowers can borrow at 13 per cent and if seven day money is over 13 per cent, as it was at the end of last month, they can make a quick turn on their money.

While such arbitrage was costly for the clearing banks if their base rates stayed out of line for too long, they at least had a cushion at the Bank of England in the form of their cash ratio—an average 1½ per cent of their eligible liabilities which had to be held in non-interest-bearing accounts at the Bank.

The ratio was roughly twice as high as the clearing banks needed for operational reasons and as it was an average, they could compensate for big flows of funds through their accounts on one day by altering their book for the remainder of the month.

However, under the new regime the clearing banks have far less flexibility. The cash ratio, which provided the Bank of England with a substantial part of its resources and income, has been abolished and replaced by a requirement that all banks—not just the clearers—lodge a ½ per cent of their eligible liabilities in non-interest-bearing accounts at the Bank of England.

While this is more equitable for the clearing banks, they still have to maintain operational balances at the Bank of England for clearing purposes. As these will earn no interest there is a big incentive to keep them as low as possible.

Given this incentive, the clearing banks are anxious to ensure that a big switch of funds as a result of interest rate arbitrage via overdraft does not put them into the embarrassing position of being overdrawn at the Bank of England.

Consequently, the clearing banks are reviewing the use of overdrafts, especially by their big customers. Their aim is to forecast accurately short term use of facilities.

The obvious solution to the problem of arbitraging is to make bank base rates more responsive to movements in money market rates generally. Many people believe the new system of monetary controls will lead to great volatility in base rates but banks are still anxious not to upset their customers by moving base rates every time money market rates wobble.

The banks are considering a number of alternatives. It is likely that more corporate overdraft lending will be tied to money market rates. Another solution canvassed by some bankers is that large corporate customers should give some form of notice before they draw down their overdrafts. Banks are likely to increase their commitment fees for overdraft facilities to more adequately reflect the financial flexibility the overdraft provides to customers.

A number of senior bankers believe the large corporate overdraft facility in its present form, linked to base rates, is living on borrowed time. Too many large corporate treasurers abuse its flexibility.

The problem is that in the present competitive climate no big clearing bank wants to curb its customers' use of overdrafts for fear they might cross the road to another bank. As a result changes will not happen overnight.

Nevertheless, the introduction of the new system of monetary controls is likely to accelerate the trend away from overdrafts for personal customers.

William Hall

MEN AND MATTERS

Three's company

After a steamy, strikebound summer at Time Out magazine, the storm has finally broken—and Londoners look set to be deluged with information on where to go and what to do as Time Out management, its former staff, and newcomer, Richard Branson bring their competing publications into the marketplace over the next couple of months.

The former Time Out staff have finally cut loose from owner Tony Elliott to float away on a raft of £400,000 in hoped-for City funds to start their own as-yet unnamed weekly. Elliott, meanwhile, is sharpening his pencil for a third time round in the TO editorial chair, to bring the publication back in double-quick time — director Bob Wilson hopes even before October.

The strike began over matters of principle. Elliott wanted a hierarchical pay structure and the ending of agreements binding him to consult with unions on acquisitions made with TO profits. The staff stuck by the status quo. It has since been a war of attrition, with staff producing a strike broadsheet which lost no opportunity to lambast Elliott for what it saw as his increasingly bourgeois politics, symbolised by his joining the SDP.

Now, with a word of advice from the New Statesman and a few friendly chats with potential funders, the staff are convinced that they can stitch up from diverse undisclosed sources the £400,000 needed to produce a weekly with a 40-strong staff, selling around 55,000 copies at a cover price of 40p.

Elliott, meanwhile, will be doing some pretty snappy recruiting for his own side. Of his original 64 employees, only nine have chosen to continue talks with Elliott rather than join the new project. Wilson says the TO which re-appears will look pretty much like the one that went away. The immediate job, he says, is to re-establish the relationship with the traditional buyer. Beyond that, the company is looking at investments in other media, including film, video and books.

Finally, the prosperous young boss of the Virgin group, Richard Branson, has dummies of his Event magazine doing theadvertisers' rounds. It has, so far, lured away three former TO staff.

Wilson thinks there should be room for all three Duncan Campbell of the TO staff project thinks only two will survive. Either way, it looks as though fringe theatres and backwoods cinemas can break out the bubbly after a summer when custom has been desperately depressed by the absence of their natural publicity medium.

Trading assets

While U.S. share prices have been hitting new lows lately, one wily broker has been showing that there may still be a way of making money on Wall Street.

Sam Weiss, a 63-year-old Street veteran, has just opened up a new brokerage firm, Stock Exchange Services, to specialise in buying, selling and leasing seats on the New York Stock Exchange.

"There is a strong connection between the volume of trading on the Exchange and the value of a seat," Weiss says, "and I firmly believe this trading is going up and up."

Weiss has put $1m of his own money into the new firm, most of it earned by trading some 15 seats informally over the past few years. Two years ago, he bought two for $85,000 each. Today, he could sell them for $250,000. In boom times, seats have changed hands for more than $½m.

Weiss also expects to do brisk business leasing seats to floor traders who cannot afford to buy one outright. The going lease rate is about $60,000 a year. He will also finance the purchase of seats by members, subject to the strict NYSE rules that govern this. Already, he has had calls from stockbrokers who would like to free up some capital by re-financing their existing seats.

Weiss is even encouraging the formation of partnerships by outsiders who want a stake in the fortunes of the big board.

All this is possible only because the number of seats available on the NYSE is fixed at 1,366, of which about 200 are leased. On other exchanges, membership is usually unlimited, provided applicants meet the usual standards of competence and probity. In London, where seats used to be traded, the Stock Exchange abolished limits on entry several years ago and now offers just £1,000 to anybody wanting to sell back one of the few remaining "outside nominations," as the older seats are called.

"Don't know why the Government objects—in Poland no news is good news!"

Panning out

LRC International chairman Edward Howard bids farewell in his statement this year to Myles Warwick-Smith, who leaves the Board to buy out and run Elsan Limited which, notes Howard, "manufactured the well-known portable toilet." "With the acquisition of the business," continues Howard, "Mr Warwick-Smith will be fully engaged."

Admirers of the LRC chairman's deft turn of phrase will find other examples to admire in this year's report. Despite a "tough, traumatic" past year, Howard offers the optimistic prospect that "like the dove which brought back the olive leaf to Noah, there are signs that the waters of recession are receding."

Stop press

West German newspapers are not renowned for the speed of their news coverage. Many major newspapers in the Federal Republic close for business as early as four or five o'clock in the afternoon. But even so, readers of Handelsblatt the country's leading business and economic daily, may have thought the paper was pushing things a little with a piece in yesterday's edition.

Prominent on page three was a progress report on construction of the controversial Rhine/Main/Danube canal. To the end of which was appended, in small print, the following paragraph:

"It was only discovered after final edition times that this report was originally intended for the Handelsblatt edition of May 3, 1978, when Herr Haar, the then parliamentary secretary at the Federal Transport Ministry, gave a speech at the celebrations marking the completion of construction work on the Regensburg-Kelheim stretch of the Danube. We apologise to our readers that for technical reasons it was no longer possible to change this report for another."

Bluff call

"I'm afraid my wife is out — would you like to call back, or just leave a rumour?"

Observer

Unemployment: the need to look deeper

ANY POLICY statement which begins with the words "The economic policies of the present Government have been the principal cause of the recession from which our economy is now suffering" cannot be taken seriously. Yet that is from the opening paragraph of the Hopkin-Miller-Reddaway statement on economic strategy, which has enlivened the silly season.

The point is not whether government policy is good or bad. The statement would have been equally misleading if it had been issued about the 1974-1976 recession under the last Labour Government when unemployment also more than doubled. What is seriously anti-educational about the authors' presentation is that it contributes to the myth of government as the prime cause of everything good or bad that happens; the idea that the Government is Good King Wenceslas and if it does not play that role, it should be replaced by one which will. As a result of such inflated expectations, no government since 1959 has been re-elected for more than one full term of office and each political change has led to successively greater disappointment.

The authors begin to recognise in their tenth paragraph that the Government cannot always guarantee full employment, whatever the rest of us do. "In the last resort," they admit, "*any* Government will be driven to tighter monetary and fiscal policy if, in spite of all efforts to restrain them, wage settlements are excessive — the damage to output and employment notwithstanding."

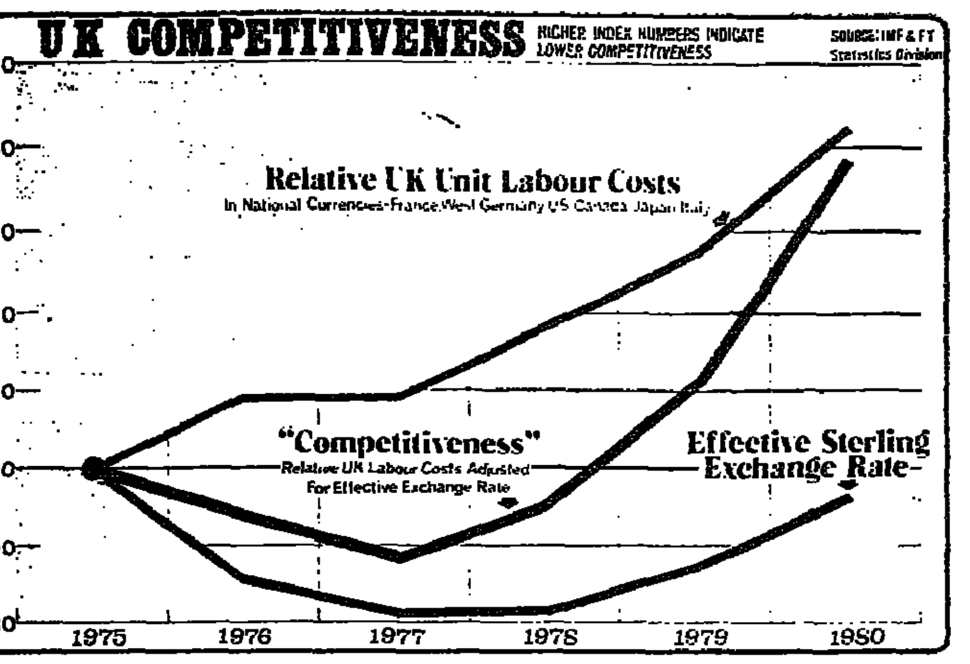
By any standards, wage rises have been excessive. Labour costs in manufacturing (i.e. wage increases after allowing for productivity increases) have risen by 40 per cent in the two years to last March—far higher than in most of Britain's competitors. The effective exchange rate, on which the authors put most of the blame, has by contrast risen by only 19 per cent—*a figure now reduced to a mere 9 per cent as a result of sterling's fall since the spring.* Yet it is the exchange rate rise—*they characteristically* regard it as an entirely government-made phenomenon — which they treat as the prime culprit for what has happened.

It is easy enough to agree with the Reddaway assertion *that Government fiscal policies* in 1979, such as the switch from income tax to VAT, aggravated the rise in wages and prices, *over* and above that produced by the oil price. Indeed this was pointed out in an Economic Viewpoint at the time. But it is surely out of proportion to blame everything on the VAT rise and associated decisions. At least an equal share surely belongs to the rebound from the collapse of the Labour Government's pay norms, a policy in line with what the Reddaway statement recommends.

The most important issues, *however, do not arise from this* or that government policy. They arise from the fact that the tradeoff between inflation and *unemployment* has deteriorated in nearly all major Western countries since the late 1960s and that the unemployment trend has increased, admittedly with particular severity in the UK.

How to determine monetary and fiscal policy against such a background is an acutely difficult—perhaps impossible—*problem.* The statement by the three economists reads very much like sour grapes because a different approach to that of the authors is now being tried. After all, hell has no fury like a woman scorned. The *intolerance of the post-war* economic establishment for any line of thinking other than its own and its determination to *have the last word is apparent,* for instance, from newspaper correspondence columns, and will no doubt once more be confirmed.

The rise in British labour costs has been a far more important factor than the exchange rate in accounting for the loss in international competitiveness. Since 1980 there may have been a slight recovery due to wage moderation, improved manning practices and the fall in sterling.



Graham Lever

* * *

BUT IT is time to turn atten*tion to some serious matters.* The main focus of studies on the deteriorating CIR—constant inflation rate of unemployment—*is Richard Layard's Centre* for Labour Economics at the LSE. The centre is not committed to any orthodoxy. What unites its more interesting participants is a belief that there is more to the rising unemployment trend than so-called monetarist policies and that pumping more "demand" into the world's economies will not *make the problem go away.*

One of the most informative papers at a conference held by the centre at Newnham College in July was by Layard himself, together with D. Grubb and R. Jackman, ("Causes of the Current Stagflation"). The focus was on the main industrial countries represented in the OECD.

*Market economists have al*ways emphasised that the demand for labour—like every other service—will depend on *its price. If real wages are too* high, relative to the market clearing rate, employment will be lower. But this general statement does not tell us what causes the labour market to be out of balance. Why should there be greater difficulty in establishing wage levels consistent with full employment in 1981 than in, say, 1965? The *Layard paper maintains that* the main change has been a fall—relative to past trends—in the real wage compatible *with full employment.*

In the Layard model prices are related to wages by a mark-up dependent on productivity and import costs. Between 1972 and 1978 the fall in productivity growth raised average OECD inflation by six points and the rise in relative import costs raised it by a further eight points. On the other hand, the *rise in unemployment,* and its effect on the labour market and on wages, reduced inflation by 14 points. Thus inflation was the *same in 1978 as in 1972, but this* stabilisation was achieved at the expense of a rise in unemployment, a fall in *vacancies and increase* in unused capacity.

On this model the increase *in unemployment arises from* the long lag before workers accept that previous rates of increase in real wages are no *longer available:* and *thus* higher rates of unemployment are required to keep inflation stable. Eventually, real wage expectations adjust to realities and the trend unemployment rate will fall back after four or five years to earlier levels.

A somewhat different approach, concentrating on British manufacturing alone, *emerged from J. S. V. Symons.* He developed an equation for employment in British manufacturing in which employment *will be lower, the higher the* proportion of the product going in wages or in other inputs

The most interesting conclusion is the powerful negative effect of real wages. If the wage element in product costs rises by 1 per cent, employment will also fall by about 1 per cent. But, although powerful, the effect is long delayed. For instance, it takes a period of *seven quarters before even half* the effect of an increase in the "product wage" is felt.

The Symons paper does not claim to tell us why wages should have risen relative to product prices or—to put it another way—why wage increases could not be passed on in prices. The exchange rate could hardly be the main reason *as his estimation period,* too, ends in 1978.

The Layard hypothesis, about the effects of lower productivity growth in making real wage targets unrealistic, is a clue here. If we want to know why productivity growth declined, there is an earlier paper *by* Prof Michael Beenstock of the City University which provides some pointers. His main emphasis is (a) on the effects of the oil price explosion in rendering much industrial equipment obsolete and (b) on the rise of the Newly Industrialising Countries which have rendered uncompetitive some of the traditional lines of manufacture, and the frictions and resistances before activity in the West can be shifted to newer lines.

A different approach is to look at the influences on labour supply. Professor Patrick Minford's paper emphasised two main influences, real benefits and the unionisation rates.

A popular version of his paper, *The Problem of Unemployment, was published by the* Selsdon Group and achieved some notoriety for suggesting a cut in social security benefits. *But it is essential to separate* analysis from recommendation. Benefit levels may not be a powerful influence on employment near the bottom of the deepest post-war recession. As soon as output recovers, however, and recruiting begins, they would again become important both in influencing how long people search before accepting new jobs and in the long-term work decisions of the unskilled and low-paid.

Minford believes that every 10 per cent rise in real social security benefits raises unemployment by about ½m people. Some economists would put the figure nearer ¼m but of the direction of effect there should be no need to argue. There are other approaches to improving work incentives without reducing the dole, such as raising the tax threshold or increasing child benefits.

Even more *important in* Minford's view is the rise in the unionisation rates since the early 1960s from 42 to 54 per cent of the labour force. On average, unionised employees are believed to enjoy a mark-up over non-union workers of 12 to 25 per cent. The increase in union power has priced people out of work in the unionised sector and crowded them into other areas where they face a choice between low-paid employment and the dole. Minford believes that the increase in union power has raised the CIR unemployment rate by about 1m.

* * *

No one has been able to make a synthesis of all the different elements represented by the *Newnham papers and similar studies.*

Only those who have learned nothing and forgotten nothing from the past will try to bypass these real problems by injecting more spending power into an economy where monetary demand is already rising by about 10 to 12 per cent per annum and where the true failure lies in the realm of supply.

Samuel Brittan

Letters to the Editor

Rocketing gas

From the Chairman, Rockware Group

Sir,—I was interested to read the letter from Mr W. G. Jewers, member for finance, British Gas Corporation (August 15) and *particularly his last paragraph* in which he states that over the period 1971/72 to 1980/81 the price of gas has risen less than the retail price index.

So far as the Gas Corporation's price to Rockware Glass is concerned the price for interruptible gas has risen by 1,200 per cent in that time and in the five years from 1976 to 1981 the price of firm gas has risen by 421 per cent. These increases leave the retail price index totally out of sight.

Not only do these increases appear to us to be grotesque in themselves, but also leave us in an invidious competitive position compared with our friends on the Continent who are paying anything up to 25 per cent less for gas than we are forced to pay in this country. It is noteworthy that energy, particularly gas, now represents consider*ably more than one fifth of our* total costs.

If the average percentage rise is as described by Mr Jewers, then it is obvious that the very large users of natural gas in this country are merely subsidising all the others, to our very considerable competitive detriment. It is, in effect, a hidden tax on some industries.

J. H. Craigie.
Rockware Group.
Rockware House,
13-23 Victoria Street,
Windsor, Berks.

Top people's pay

From Natalie Hodgson

Sir,—I found your headline "UK real wages must fall" (August 14) thought-provoking, and I wonder whether salaries are to be included as well.

At a recent AGM—Metal Box—I inquired why, when everyone had been urged to accept a single-figure increase in pay, our chairman had taken a 100 per cent rise. "I take your point," he answered soothingly and after a fellow director had risen to say that the figures didn't really mean what they said, the chairman moved acceptance and got unanimous approval.

The meeting was reported fully, but without any reference to my question; nobody seemed to care about the bleak alternatives — either the report and accounts were inaccurate or else the chairman had taken an immense rise in salary.

Surely these exalted salaries must lead to inflationary claims *from other people* in the near future. Why should a surgeon or a civil servant accept 7½ per cent when they see these extraordinary *amounts, plus* extraneous benefits, going to people in industry.

Think of Mr McGregor losing the odd billion for £100,000 per annum. "Ah, yes," replied another overpaid director whom I consulted, "just think of how much British Steel could have lost without him." To that there is no answer and no evidence, *but there are so many* others. Take Mr Giordano, imported at £200,000 to pacify a few Airco directors; or Mr Wilmot of ICL; or above all of the chap brought over to sort out the PM and her problems, and what he has managed to do to the economy so far.

Only Lord Weinstock, whose company prospers exceedingly, has restrained himself to a 12 per cent rise which brings his salary to a relatively modest £55,000. There seems to be a conspiracy of silence about the rewards of the top people in industry—no discussion as to the morality or advisability of their receiving whopping salaries—certainly no lead in any downward trend, no sugges*tion that salaries should fall* as well as wages.

Natalie Hodgson.
Astley Abbotts,
Bridgnorth, Shropshire.

Machines make light work

From Mr K. Wharton.

Sir,—The emotive language of the Association of Professional, Executive, Clerical and Computer Staff and the National Association of Local Government Officers who claim that modern office equipment is "devastating" employment opportunities is surprising. First because it has taken them so long to notice and second because in our view "changing" would be more accurate.

The number of machines installed in offices each year has *been increasing at a staggering* rate in the past few years. For example: Copiers, 20 per cent; word processors and electronic typewriters, 35 per cent; and small business computers, 50 per cent.

Most office workers welcome this development: why continue to walk up hill when there is a perfectly good engine to carry you? Interestingly the smaller organisations are embracing this technology far more than the monoliths of government and big business. The reason is that management in the smaller companies has the ability to see the opportunities in using office automation and is prepared to make the effort to install and implement the equipment efficiently.

This country has a tradition of fighting innovation and it would be a pity to abandon it now. The 1m domestic servants employed in 1900, however, have been replaced by vacuum cleaners and washing machines, but we still had full employment until five years ago. Perhaps it is politicians who cause unemployment, not machines. Apex and Nalgo seem, once *again, to have found the wrong* target.

Keith Wharton.
27-28, George Street,
Richmond-on-Thames, Surrey.

Domestic costs

From Mr I. Muir

Sir,—The present controversy between the Government and high spending councils has at least one beneficial side-effect. It highlights the gross inequities of the rating system as a means of raising local taxes. It is a system which offends every *principle of taxation by* ignoring the ratepayer's capacity to pay, while at the same time exempting large numbers of local residents from charge, irrespective of their incomes. These non-ratepayers thus have every incentive to vote for and encourage profligate councillors. This is democracy?

Fundamental reform is essential, but will inevitably take time. In the short term the Government (any government) must surely take steps to protect the most vulnerable victim of the high spenders—the wage or salary-earning house-owner. He pays ever-escalating rates out of an income which has already suffered deduction of income tax, and without any upper limit on the proportion of his net earnings which can be grabbed. The higher his bill, the less likely he is to be able to sell his house, so he is locked into a downward spiral of income and capital.

A fairly simple (if incomplete) solution from an administrative viewpoint would be to *extend to the individual house*holder the concession already granted to commercial ratepayers of allowing rates as a deduction in assessing taxable income. This would, of course, transfer even more of the cost of council expenditure to central government but a small rise in standard rate of income tax would restore the principle of "from each according to his means."

Ian S. Muir,
10 Linn Mill,
South Queensferry,
Lothian Region.

Overdressed turkeys

From Mr J. Cooper.

Sir, — I was unaware of the dramatic advances which British poultry producers have made recently *until I read your re*port "Picket for poultry import shops" (August 17) which notes that "there are 4½m tonnes of turkeys, about 18m unsold in cold stores." With dressed turkeys weighing nearly a quarter of a tonne, the public should be grateful that the turkey's ability to fly has been bred out.

J. C. Cooper.
101c, Marylebone High Street,
W1.

Export credit insurance

From the Chairman,
Association of Shippers to Africa

Sir,—The world depression has been boiling up for some time and it is obvious that the ability of many countries and their trading communities, especially in the Third World, to maintain their foreign exchange balance has been greatly impaired. This has been the direct cause of increased default and bankruptcy in commercial transactions and, so far as the countries themselves are *concerned, in foreign exchange* transfer delays which have led to innumerable claims on export credit institutions.

The Export Credits Guarantee Department was set up after the First World War to assist British exporters to trade in the then very difficult conditions. Conditions now are infinitely more difficult. Better, not worse, facilities are needed.

For the British exporter, credit insurance is fast becoming too expensive, with cover *reduced for certain types of* transactions, to be competitive.

This association deplores that the Department, and indeed the *Government, is failing in the* task of ensuring that those who are trying to promote Britain's export trade enjoy real competitive advantage.

G. E. Neill.
34, Knutsford Road,
Alderley Edge, Cheshire.

The wonderful world of oil

From Mr J. Wareham

Sir,—Crude, oil statistics are an obscure sub-basement of the arcane numerical arts, but the "Shell" (August 12), and "Esso" (August 14) and "Petrofina" (August 17) letters contain enough concrete facts in the murk to do some simple arithmetic to test the validity of the old saw about lies, damned lies, etc.

The "Esso" letter implies that when its oil costs went up by 150 per cent in 1979 and *1980 it passed on only* 100 per cent to its customers and the "Shell" letter states that petrol pricing is true and fair while forgetting what this implies for other products! The "Esso" facts work out as follows:

Crude at 1.1.79 @ $13 a barrel	£6.50
Crude at 31.12.80 @ $32 a barrel	£13.33
Increase in sterling	105%
Crude oil price content of delivered products selling prices at 1.1.79	83%
Therefore crude oil price content of same delivered products at 31.12.80 (83 plus 105% of 83)	170.15
*Add non-oil elements increased by average manu*facturing industry wage inflation	23.07
Calculated selling prices at 31.12.80	193.22
Actual selling prices at 31.12.80	200

The oil companies appear to have given us a "negative" present, and, the efficiency improvements, of which Mr Watkins (Shell) was so proud have apparently gone straight into Shell's pocket and, therefore, are irrelevant to the main argument.

There has been no Opec increase since 1.1.81 and the implications of the Shell letter can be tested as follows:

Crude at 1.1.81 @ $32.00 @ $2.40 barrel	=	£13.33
Crude at 14.8.81 @ $32.00 @ $1.77 barrel	=	£18.08
Increase	=	35.6%
*Industrial heavy fuel oil at 1.1.81 net of duty	=	7.8p per litre
*Industrial heavy fuel oil at 14.8.81 net of duty	=	11.05p per litre
Percentage increase	=	41.67

*British Textile Employers Association.

The advantage is again with the oil companies without *taking into account the lower* inflation rate on the non-oil elements of their selling prices or the smaller increment in North Sea prices which will have averaged their oil costs.

The trend of these figures could be expected after the Nedo report which effectively proved that UK oil prices were consistently higher than those in the rest of Europe and that the gap is widening.

The commercial and national logic of an oil pricing structure which consistently gives the edge to our competitors (who are not oil producers) requires more explanation than mere apologia and random statistics.

J. E. Wareham.
24 Broomhurst Avenue,
Coppice,
Oldham, Lancs.

Today's Events

GENERAL

UK: Polling in Fermanagh and South Tyrone by-election (result expected 5.0 pm).

Minimum Lending Rate suspended by Bank of England.

ASLEF Scottish Council and Eastern and Western Councils of the NUR meet in Glasgow to discuss strike action.

AUEW officials at BL meet to plan wage increase demand.

TUC publishes "The Reconstruction of Britain," examining the role of public investment.

FT management meets leaders of print unions to discuss 7 per cent staff savings.

Overseas: Sir Ronald Gardner-Thorpe, Lord Mayor of London, meets Government leaders in Lima, Peru.

OFFICIAL STATISTICS

Department of Industry publishes second quarter provisional figures for capital expenditure by the manufacturing, distributive and service industries; and for manufacturers' and distributors' stocks.

COMPANY MEETINGS

Cawoods, Southlands, Ripon Road, Harrogate, 12.0. Chamberlain Phipps, The Manor House, Higham Ferrers, Northamptonshire, 2.30. Godfrey Davis, Bushey House, Bushey, Watford, Herts, 12.0. James H. Dennis, Trafford Park Road, Manchester, 11.30. Greene King, The Theatre Royal, Westgate Street, Bury St. Edmunds, Suffolk, 12.0. Scottish and Newcastle Breweries, King James Hotel, St. James Centre, Edinburgh, 12.0. Somic, Daresbury Hotel, Warrington, 3.0. Symonds Engineering, Great Eastern Hotel, Liverpool Street, EC, 10.30.

COMPANY RESULTS

Final dividends: Dale Electric International, A. and J. Gelfer, Louis Newmark. **Interim dividends:** Benford Concrete Machinery, Noble and Lund, Shell Transport and Trading, Stenhouse Holdings, Woodhouse and Rixson.

LUNCHTIME MUSIC, London

Metropolitan Police Band concert, Paternoster Square, 12.0 noon.

Piano recital by David Ward, St. Lawrence Jewry, Gresham Street, 1.0 pm.

Recital by Gillyanne Kayes (soprano) and Jamie Clarke (piano), St. Olave, EC2, 1.05 pm.

Songs and sketches from Paul Weston and Graham Tomlin, St. Andrew Undershaft, St. Mary Axe, 1.20 pm (lunch from 1.0 pm).

UK COMPANY NEWS

AGB in line with forecast

IN LINE with forecasts at the time of a rights issue last May taxable profits of AGB Research climbed from £2.9m to £3.86m in the year to April 30 1981 on turnover well up from £29.19m to £32.16m.

At the half-year stage pre-tax profits of this consumer and market research company had already improved to £1.46m (£1.19m) and turnover stood at £14.66m (£13.01m).

As forecast, the final dividend is being raised to 3.5p net (2.625p) per 10p share increasing the total by 24 per cent to 5.5p (4.5p) — the comparatives having been adjusted for a one-for-three scrip issue. Earnings per share are given as 9.99p (9.14p).

Tax took £1.76m (£1.36m) and attributable profits emerged at £1.88m (£1.44m) after minorities of £214,000 (£104,000). Current cost adjustments reduce the taxable profits to £3.49m.

The figures include a contribution from McNair Anderson Associates which was acquired in November 1980.

● comment

AGB Research has been fuelling its marked growth with repeated trips to the market—three in the last four years. *So far earnings* per share have not shown any dilution but following the £9m rights issue in July, the group will have to push up pre-tax profits in the current year by some 15 per cent to just hold the EPS in place at 10p. Despite troubles in the publishing sector, it looks likely that AGB will clear that hurdle comfortably. Its newly *acquired Australian* subsidiary, McNair Anderson, contributed £400,000 in the five months to December and should provide more than £1m this year. Market research, some 70 per cent of total turnover, showed a glittering 47 per cent advance in trading profits and continues strong this year, as yet unscathed by recessionary problems. The company says information services were held back by technological investments and should pick up this year. In all, pre-tax profits could hit £5m *this year, putting the group on* a prospective p/e of 28. The shares, down 5p to 255p, yield 3 per cent.

Richard Clay into loss and passes interim

IN THE first half of the year to July 3, 1981 **Richard Clay and Company**, the book printer and binder, incurred a pre-tax loss of £662,000 compared with a profit of £334,000 in the same period last year. The loss takes account of £462,000 redundancy payments.

Turnover was little improved at £9.14m against £9.04m, which the company says reflects volume declines in most areas of the book publishing and manufacturing industries. Foreign competition has been "intense," particularly in composition and colour printing.

The interim dividend will be passed this time. Last year an interim of 1.6p was paid and a total of 3p on stated earnings per 25p share of 7.87p. This year's first half loss per share is given as 5.68p compared with earnings of 3.43p.

There was a tax recovery of £156,000 (charge £25,000), leaving the attributable loss at £506,000 compared with profits of £309,000. Preference dividends took £2,000 (same).

The company says that although the number of employees in the group has been reduced during the period from 1,404 to 1,257 further limited redundancies will be unavoidable in the second half.

Non-recurring costs this half include a major reorganisation at Fakenham Press which the company says should greatly improve efficiency. Installation of printing and binding capacity at the Singapore factory, Richard Clay (SE Asia) Pte. has also been financed during the period.

Mr Charles Birchall, the recently appointed chairman, says that while the last two months have produced modest trading profits and capacity is currently more fully utilised than it has been for some time, it is difficult to predict the outcome for the second half with any great measure of confidence.

The much stronger dollar will undoubtedly reduce direct competition from the U.S. both for ourselves and our publisher customers, although the effects of this are not immediate.

He adds that it would be "foolhardy" to expect any major upturn before 1982.

Current cost accounting increases the pre-tax loss to £826,000 (loss £128,000) and the *loss per share to 7.51p (loss* 1.73p).

● comment

Last year was not good for **Richard Clay** and this year is going to be even worse. At the interim stage the company has suffered a downturn of nearly £1m into the red and by the year-end Clay could make pre-tax losses of up to £750,000. But the company is fundamentally sound, with a strong balance sheet and a leading market position in the printing of paperbacks in the UK. This year Clay has been hit by the exodus of several British publishers to U.S. printers as strong sterling has made UK printing less competitive. In addition, public spending cuts have hit schools and libraries, a staple customer of the industry. Volume in the first half fell by around 15 per cent and last year's wage increases at Clay of 28 per cent filtered through early this year. The trading losses came mainly from the Fakenham business, from Northumberland and from start-up costs in Singapore. But Fakenham has been reorganised and Northumberland is undergoing technology change. Redundancies this year could cost a total of more than £600,000 *above the line*, exaggerating the trading losses. The company should, however, stand a chance of reasonable recovery next year. The interim dividend has been passed and the shares yesterday dropped 5p to 47p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock *Exchange*. Such meetings are *usually* held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Benford Concrete Machinery, Noble and Lund, Royal Dutch Petroleum, "Shell" Transport and Trading, Stenhouse, Woodhouse and Rixson.

Finals: Dale Electric, A. & J. Gelfer, Louis Newark.

FUTURE DATES

Interims—	
Babcock International	Sept 1
Blackwood Hodge	Sept 10
Blue Circle Industries	*Aug 26*
Early (Charles) and Marriott (Witney)	Sept 18
Hepworth Ceramic	Sept 10
Macdonald Martin Distillers	Aug 24
Scottish Northern Inv. Trust	Aug 28
Sun Alliance & London Insur.	Sept 2
Final—	
Moran Tea	Aug 26

BPC loss over £8m mid year

LOSSES at BPC recently rescued by Mr Robert Maxwell, are expected ot bestaunched by the end of this year and Lord Kearton, the chairman, continues to forecast a return to profitability during 1982.

However, the chairman says there is still cause for concern over the Park Royal factory "where the trade unions and the workforce are proving slow in implementing survival plan agreements."

Yesterday the troubled group released its results for the 26 weeks to July 4, 1981, which showed an increased pre-tax loss of £8.12m (£6.54m) with interest costs accounting for almost half the loss at £3.93m against £3.64m.

At the trading level the deficit was up from £2.65m to £3.93m with the loss on printing soaring *from £837,000 to £3.14m*. Publishing reduced its loss to £1.38m (£1.85m) and packaging turned in a substantially increased profit of £594,000 (£36,000).

The loss per share emerged at 6.5p (16.8p) with no tax charge this time (£102,000). The loss at the attributable level came out at £7.74m (£6.58m).

Again there is no ordinary dividend — the last being paid for 1979 — and the preference payment due on September 30 is being omitted.

Lord Kearton points out in his *interim report that most of the* costs and staff reductions and interest changes brought about by the survival plan will only become effective in the second half.

The cost of redundancies and closures will be covered by the £14m provision made in the 1980 accounts, h says.

Lord Kearton goes on to say that considerable progress has been made in increasing competitive capability and rationalising management structures and operational performance.

"Confidence of customers and workforce in the future has been restored and important long-term contracts such as those for Radio Times and the TV Times have successfully been negotiated.

"With the more positive direction and control now being applied throughout BPC and the benefits of the new contracts, *trading position should substan*tially improve. To achieve and sustain such improvement will require the efforts and co-operation of everyone — managements, workforce and unions.

Johnson Gp. 23% higher as borrowings are cut

A REDUCTION from £5.7m to £2.5m in borrowings and the resultant drop in interest charges, down from £555,000 to £342,000, have contributed to Johnson Group Cleaners increasing its pre-tax profits for the half-year to June 30, 1981.

The figures are up 23 per cent from £1.74m to £2.14m, and turnover of this retail dry-cleaner, workwear and towel hire services group, rose from £20.3m to £21.68m, net of VAT.

The interim dividend is raised from 2p to 2.15p on the ordinary and employees' shares — last year's total was 7p from unchanged pre-tax profits of £4.04m.

Profits from trading activities rose from £2.05m to £2.27m, but non-trading properties declined from £281,000 to £177,000, leaving trading profits at £2.44m (£2.33m).

● comment

Johnson Group Cleaners is feeling the benefit of property sales —trimming off *the smaller* branches from its various retail chains—in the form of much reduced gearing. This has come through to the pre-tax, contributing three-quarters of the improvement. Trading profits are slightly ahead, but there has been resistance to price increases on the industrial workwear front, and further advance is seen as depending on macroeconomic demand. Retail *dry-cleaning follows* the turns of the cycle after a few months interval; profits here cannot be expected to move far this year. It may be that there is still something to be gained, in the short-run, from the tighter control of stocks which is already strengthening cash flow. At 254p the shares trade on around [illegible] times prospective fully-taxed earnings, and yield a shade over 4 per cent (assuming the final is also raised by 7½ per cent). This rating anticipates a bit more than the economy is likely to deliver.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
AGB Research	3.5	Oct. 19	2.63	5.5	4.5
Richard Clay ......int.	Nil	—	1.6	—	3
E. Elliott ......int.	Nil	—	Nil	Nil	1
English & Scot. Inv. int.	0.75	Sept. 30	0.6	—	1.8
Independent News. int.	4†	—	4	—	11
Johnson Cleaners... int.	2.15	Oct. 1	2	—	7
London & St. Law. Inv.	0.7	Nov 5	0.56	0.7	0.56
Press Tools	1.2	Oct. 10	1.75	2	2.7
Reliance Knitwear	0.77	Oct. 8	1.56	1.54	3.1
Rotork	1.1	Oct. 30	1.1	—	2.2
Squirrel Horn ...... int.	0.75	Oct. 9	0.75	—	1.58

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Irish p throughout.

Second half plunge at Reliance

WITH second half pre-tax profits plunging from £345,321 to £75,589, **Reliance Knitwear Group**, garment manufacturer, reports a drop from £573,321 to £105,589 in the figures for the full year to April 30, 1981. Turnover improved, however, from £17.91m to £18.96m.

The final dividend is cut from 1.56p to 0.77p for a lower total fo 1.54p (3.1p). Stated earnings per 20p share are 0.77p

After tax of £49,031 (£99,000) and extraordinary debits of £88,624 (£195,743), there was an attributable loss of £32,066 compared with profits of £278,578.

● comment

Reliance Knitwear is paddling through the recession in a classic manner. Rather than *suffer any loss in market share*, it is holding up volume at the expense of margins. As some 40 per cent of its output is bought by Marks and Spencer, this strategy has some merit. In the meantime, the group's three-year-old sportswear division—which includes the lucrative Nike shoes franchise—is now about 20 per cent of sales and growing. The company says another non-knitwear acquisition is likely this year. Despite the attributable loss, pre-tax profits did more than double in the second half and current year trading is up slightly. Pre-tax profits could reach £200,000 this year, but full recovery is some way off. The company's optimism is reflected in the uncovered dividend which on shares up 2p to 19½p yield 11½ per cent. Market capitalisation is £1.38m.

ISSUE NEWS

HAT rights to raise £7.4m

A £7.35m rights issue has been launched by **H.A.T. Group** with a one-for-four share issue at 62p a share. In the market the shares *closed 4p down at 71p. H.A.T.* is a specialist building services and materials company.

Explaining the reasons for the issue, the directors state it has *been the company's policy to* expand by indigenous growth augmented by acquisitions in related areas.

They consider that "there are increasing opportunities for making further selective acquisitions, as well as for expanding the group's involvement in property."

Turning to the current year's trading, the chairman reiterates his annual statement looking for a modest improvement in the 12 months. It is the management's intention to pay dividends this *year of not less than 2.75p* a share, representing an increase of 10 per cent a share.

The rights issue is on offer to shareholders on the books at August 14. The full circular will be posted tomorrow and it is *anticipated* that dealings will start, nil paid, on Monday, August 24.

The issue has been underwritten by Robert Fleming and brokers are Fielding Newson-Smith and Stock Beech.

● comment

There seems no obvious reason why **HAT** should be pumping shareholders for extra money at this stage. The last accounts showed net cash of £1m while share holders' funds of £20m can easily support a fair amount of debt despite the management's reluctance to take on borrowings. Cash flow last year ran at £5¼m and further profits growth is expected this year. The reasoning *behind the fund raising is that* HAT is lining its coffers to finance further acquisitions—so far undefined. "The impression is that nothing large is on the cards although a few things are in the pipeline." But for a company which has developed out of the Telling family plastering business into a group with nearly 70 subsidiary companies the market expects HAT to be talking to at least a few potential acquisitions. Expansion of the maintenance and merchanting operations look the most obvious targets. The company talks of building on its new joint venture property operation yet *this is* unlikely to be the main thrust of development and is certainly not the overriding reason behind the cash call. What ever the ultimate home for the rights money, shareholders can turn to an average earnings and dividend progression over the past decade of more than 20 per cent and return on capital last year of nearly 25 per cent to underpin the decision to invest further in HAT.

Wolverhampton Laundry fights against two board nominees

THE **Wolverhampton Steam Laundry**, the launderer and dry cleaner, is resisting the attempts of two major shareholders to gain seats on the board.

Mr John Nash, group chairman, has told shareholders in his annual statement in the group's report and accounts, "if they are elected, Mr Thomas *Watson," another director on the* board, "and myself, as the non-executive directors, would seriously have to consider whether to resign as undoubtedly, it would be difficult for us to serve on a board with them."

The two shareholders seeking election at the annual general meeting on September 14 are Mr W. S. Hersham and Mr J. A. Tongue, who hold respectively 265,967 shares (20.5 per cent) and 189,333 shares (14.6 per cent) in the company.

In his statement, Mr Nash says that in March this year it was announced that Concourt, a company owned by Mr W. S. Hersham, had acquired 265 967 shares in the company.

"Mr Hersham visited me in April to request a seat on the board of your company. He wished to direct the company's activities more towards property development than its existing business.

"I told him," says Mr Nash, "that this would be contrary to the board's intentions regarding *the future development of the* company and declined to support his request. Mr Hersham subsequently attended an informal meeting of the board in May, accompanied by another shareholder, Mr J. A. Tongue.

"Although not known personally to any of the directors, Mr Tongue had held 189,333 shares in your company for a number of years. Mr Hersham and Mr Tongue told the board *that they agreed to act together* and requested two seats on the board.

"I have to tell you that your board strongly opposes their appointment."

Mr Nash tells shareholders that Mr Hersham is a former chairman of Robert Kitchen Taylor, the textiles, knitwear and property group. "In the accounts of that company to September 30 1976 there appears the following note," says Mr Nash.

"'Loan to a former director. This item reflects expenditure not authorised by the board for which the former chairman has accepted responsibility. Since September 30 £74,519 has been reimbursed to the company and arrangements are in hand for the repayment of the present balance due from him on current account.'"

Mr Nash says that when asked for an explanation of the note, "Mr Hersham wrote to me as follows:

"1—The reference to note 15 in Robert Kitchen Taylor's accounts is headed 'loan to a former director.' The use of the word loan is misleading, since it refers to a series of loans to directors and employees. Loan accounts would therefore be more precise.

"2. The paragraph commencing 'this item reflects expenditures not authorised by *the board . . .' is also loosely* worded.

"3—A system was operated by Robert Kitchen Taylor for many years whereby certain directors *and employees did not draw* salaries and commissions on a regular basis and this was voted at each year end when adjustments were made, followed in some years by refunds having to be made."

In his letter to Mr Nash, Mr Hersham concluded that the figure in note 15 of Robert Kitchen Taylor's accounts was repaid in full.

Mr Nash says that he asked Mr Hersham whether he could contact the auditors for further clarification. Mr Nash tells shareholders that Mr Hersham said that he had been told by the auditors "that they would be unable to disclose company information to a third party, as by doing so they would be in breach of their professional etiquette."

Mr Nash says that the board does not consider Mr Hersham's explanation to be satisfactory. "As Mr Tongue clearly intends to support Mr Hersham presumably he also shares Mr Hersham's views as to his proposals for the company's further activities," he *concludes.*

He urges shareholders to vote against their election.

Press Tools slides to £215,104

TAXABLE profits of Press Tools fell from £418,180 to £215,104 in the year to April 30 1981 on turnover down from £2.76m to £2.21m.

At the half-year stage this manufacturer of press tools, jig fixtures and automatic turned parts, had already slipped from pre-tax profits of £206,000 to £147,000.

The final dividend is being reduced to 1.2p net (1.75p) per 10p share making a total for the year of 2p (2.7p). Earnings per share are shown as 7.99p (10.05p).

Mr M. B. Barber, chairman, says the recession hit the company hard, and its effect is continuing. The company is obtaining orders at the keenest and often uneconomic prices so it can *hold together its first-class team,* to meet the long awaited upturn, he adds. The company's balance sheet remains strong.

Ailsa re-structuring should lead to big increase in capital

FURTHER DETAILS of the proposed reorganisation of the £15.3m **Ailsa Investment Trust** were announced yesterday. Last month Ailsa revealed that following plans put forward by Cornhill Insurance, which owns 27.1 per cent, and RIT, which controls *9.1 per cent, the company would* be restructured and new management contracts entered into with RIT and with Mr David Montagu, a former chairman of Samuel Montagu.

Under the proposals, S. G. Warburg, the merchant bank acting for RIT, has agreed to buy all ordinary shares tendered to it at net asset value. This will be *calculated on a date as shortly* as practicable before the proposals are due to be approved at meetings on September 4.

Meanwhile there will be an offer of new shares, underwritten by Warburg, to Ailsa shareholders at net asset value. The aggregate value of these additional shares, a statement said yesterday, "will not exceed £18.5m and will be reduced to the extent of the requirement for funds to purchase any ordinary *shares tendered for sale to* Warburg."

The practical effect of this will be to increase the size of the company. Those involved reckon that at least 40 per cent of the shareholders are committed to the proposals—so that even if most of the other 60 per cent decided to sell to Warburg, this could leave a portfolio of perhaps *£25m.*

The other features announced yesterday are a change in the Articles of Association of Ailsa to provide that a meeting to consider its winding up and possible unitisation should be held not later than December 31 1990; a three for one capitalisation issue of new shares; and the proposal that Mr David Montagu will become chairman of Ailsa.

Mr Montagu has said that the fund will concentrate its invest*ment on recovery stocks and* special situations.

Five members of the present board of directors have agreed to retire. They will be replaced by Mr Jacob Rothschild and Mr Francois Mayer, of RIT, Mr R. J. Owen, a director of Cornhill Assurance, Mr S. K. Zilkha, chairman of Mothercare, and Mr G. Eskenazi, of Banque de Paris *et des Pays Bas, and Mr John* Nash, a director of Warburg.

Of the present directors only Mr Harold Whitson, chairman of MDW, will retain his seat on the board.

E. Elliott loss up to £0.32m

IN THE year to March 31, 1981 **E. Elliott**, West Midlands plastic moulder and manufacturer of optical goods, made a pre-tax loss of £323,400 compared with last year's profit of £63,800. Turnover was down from £6.35m to *£5.49m.*

At midway losses had been £236,000 compared with profits of £37,000.

There will be no final dividend and the interim was also passed. Last year only an interim of 1p was paid. Loss per 25p share is stated at 10.73p compared with earnings of 0.91p.

Oxley still printing TV Times

The TV Times has agreed to continue to have its Northern edition printed by the Carlisle webb offset subsidiary of **Oxley Printing**, the group that went into receivership on Monday.

Joint receiver Mr Graham Watts said yesterday that the continued support of the TV Times was "extremely good for the company and *helpful* in relation to the group's other companies.

"I have the support of the unions and the complete backing *of the workforce nere," he said.*

Mr Watts said he had already received inquiries from companies interested in purchasing the business.

Rotork slips to £1.16m midway

PUBLIC SECTOR cutbacks in the U.S. and UK coupled with fierce competition helped cause a slide in pre-tax profits at **Rotork** from £1.48m to £1.16m in the six *months to June 30 1981.* Turnover was marginally ahead at £10.97m compared with £10.86m.

The interim dividend of this designer and manufacturer of valve control equipment, marine craft and machine tools is being maintained at 1.1p net per 10p share. Last year a total of 2.2p was paid on taxable profits of £2.87m (£3.18m).

The directors say the first half was a difficult one. The company is taking active steps therefore to regain its position of holding the technological lead in its main *field of activity—valve control* equipment. It will however take time before new products become commercially successful, they add.

"Current signs suggest that trading in the second half of the year will be no easier than in the first, but every effort is being made to ensure that Rotork is well placed when the present *recession comes to an end.*"

Tax took £60,000 (£77,000) and earnings per share are stated at 2.5p (3.4p).

● comment

Rotork pins most of the blame for the interim shortfall on the marine division. Relying heavily on big, one-off, contracts the division made most of last year's reported profit of £361,000 in the first six months from an important Nigerian order. This time, marine is barely ticking over. Ludlum Sysco and Evans Rotork *are said to have made progress* but their contribution remains small in relation to the mainstream business of valve actuation. The addition of pneumatic *actuators now gives Rotork a* comprehensive product range but the technical lead it established in the early years of the last decade has been gradually eroded to the extent that its two *big privately-owned overseas* competitors—which are not constrained by the need to service outside capital through high margin requirements and returns on funds employed—are now fighting fully and fiercely for an increased slice of a static market. So Rotork is warning of a dull second half and is not expecting any major revival *until it can get its new genera*tion of actuation technology into place, perhaps next year. Cash is strongly positive and research and development costs are not budgeted to be high. But the prospective yield of 5.6p to 57p on an unchanged final dividend adds little income argument to a dull capital growth prognosis, at *least for the short term.*

Growth for Squirrel Horn

PRE-TAX profits of **Squirrel Horn**, the Stockport-based sugar confectioner, improved from £180,186 to £300,230 in the half-year to July 3, 1981. Turnover was ahead from £3m to £3.53m.

The interim dividend of 0.75p will be held and the directors say that provided the present level of profitability can be maintained during the second half, they intend at least to restore the cut made in the final dividend for 1980. A net payment of 0.8125p was made compared with 1.0625p.

Depreciation took £82,164 against £75,278 and tax £156,120 (£93,696), leaving attributable profits of £144,110 (£86,490).

Wilson Peck deficit rises to £38,566

An increased pre-tax loss of £38,566 against £32,389 was incurred by **Wilson Peck**, general retail music dealer, for the year to March 31, 1981. At the interim stage the deficit was £23,337 compared with £21,617.

Turnover for the 12 months totalled £489,207 (£453,733). *There was a tax charge of £351* (£1,048 credit) and the loss per 25p share is stated at 1.51p (3.05p). There is again no dividend. At the attributable level there was a profit of £105,309 (£34,091 loss), including extraordinary credits of £145,045.

Durapipe making £2m cash call

Durapipe International, which manufactures plastic pipe and extrusions, is to raise £2.1m, net of expenses, by means of an issue at par of equal numbers of 8¼ per cent convertible redeemable preference shares and of 11¼ per cent redeemable preference shares of £1 each.

Of the total issue it is intended that £0.6m will be subscribed by Equity Capital for Industry (ECI) and £1.64m of preference shares will be offered to existing shareholders by way of a rights issue underwritten by ECI and Hill Samuel and Co. The underwriting is being shared as to £0.9m by ECI and £0.74m by Hill Samuel.

The terms of the issue are one of each type of new preference share for every 12 ordinary shares. The convertible shares may be converted at the rate of one ordinary share for every 28p of convertible shares on August 31 in any year from 1982 to 1986 inclusive.

The 11¼ per cent preference shares are to be redeemed at par in five equal instalments on July 31 in each of the years 1987 to 1991. The company will have the right to make early redemption of these shares after December 31, 1981 and of the convertible after August 31, 1986 (in each case at par).

In the event of ECI having to take up all the shares *it is under*writing, the effect of conversion of its shares would be to give it 19.4 per cent of the enlarged issued ordinary capital.

The reason for the issue is stated to be the board's desire to correct an unacceptable level of gearing, and obtain sufficient funds to provide a foundation for the group's future.

In the UK substantially all reorganisation costs have already been provided for and although it is not possible at this stage to forecast the year's results, progress is said to have been *made in the first four months'* trading.

The issue is conditional upon the approval of shareholders at an extraordinary meeting to be held on September 14, 1981.

● comment

Durapipe had a nasty reverse in its U.S. operations last year which, together with some reorganisation costs incurred in the UK, took some £2.1m out of shareholders' funds. Gearing reached nearly 70 per cent—*some of it in expensive dollar* loans — and the dividend vanished. The present issue of preference shares restores the balance sheet to a healthier condition and cuts the overall level of variable rate debt to 31 per cent of risk capital. The straight preference shares probably yield enough to appeal to shareholders on income grounds (16 per cent gross) while the conversion premium on the 8¼ per cent convertible is wafer-thin. If the trading performance is at all reasonable over the next couple of years, this part of the issue could come to seem a bargain. At the moment, however, the recovery in earnings is below the horizon, and shareholders' biggest incentive to subscribe is probably the potential 29½ per cent dilution.

Yearlings total £14.6m

Yearling bonds totalling £14.6m at 14¾ per cent redeemable on August 25 1982 have been issued this week by the following local authorities:

East Lindsey DC (£0.5m); *Roxburgh DC (£0.25m)*; Bridgnorth DC (£0.25m); Durham (City of) (£0.5m); Gravesham BC (£0.5m); North Hertfordshire DC (£0.5m); South Tyneside (Borough of) (£0.6m); Taunton Deane BC (£0.5m); Swansea (Council of the City of) (£1m); Edinburgh (City of) DC (£1m); Renfrew DC (£0.5m); Barnet (London Borough of) (£1.5m); Highland Regional Council (£1m); Charnwood BC (£0.5m); Islwyn BC (£0.5m); Runnymede BC (£0.5m); Sefton Metropolitan BC (£0.75m); Wakefield (City of) Metropolitan DC (£0.25m); Erewash (Borough of) (£0.5m); Newport BC (£0.5m); Portsmouth (City of) (£1m); South Derbyshire DC (£0.25m); Woodspring DC (£0.25m).

Independent Newspapers

In the half year to June 30, 1981 Dublin-based **Independent Newspapers** fell from pre-tax profits of I£2.13m to I£1.01m on turnover ahead at I£26.67m compared with I£21.3m.

The interim dividend is being maintained at 4p net per 25p share. Last year a total of 11p was paid on taxable profits of *£3.05m (£4.06m). Earnings per* share are stated at 4.14p (2.05p).

LRC slimmer and set to grow

AFTER A tough year **LRC International** is emerging slimmer but fitter, and better able to face the future, says Sir Edward Howard, the chairman, in his annual statement. He forecasts growth this year over the 1980-81 results when pre-tax profit returned to the £7m level *after four years.*

"The fall in the value of the pound is making us more competitive overseas and interest rates have abated somewhat. Both these trends are important to a company trading in almost all the countries of the world."

He says that the sales total for the year to March 31 last, which was unaltered at £114m, conceals the major changes that took place during the 12 months. The streamlining policy was continued by disposing of a number of subsidiaries and products which either took up an excessive amount of management time or on which profit margins were insufficient. Instead the company is concen*trating on selling* its major brands.

SPAIN

August 19	Price %	+ or −
Banco Bilbao	383	+2
Banco Central	387	+3
Banco Exterior	432	−4
Banco Hispano	335	+2
Banco Ind. Cat.	121	
Banco Santander	403	−2
Banco Urquijo	226	
Banco Vizcaya	383	+2
Banco Zaragozo	243	
Dragados	214	−2
Espanola Zinc	79	+1
Fecsa	72.5	+1
Gal. Preciados	55	+2
Hidrola	82.7	+2
Iberduero	57.2	+0.2
Petroleos	129	−0.7
Petroliber	85	
Sogefisa	54	
Telefonica	79	+1
Union Elect.	77.5	+1

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB   Telephone 01-621 1212

1980-81 High	1980-81 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
112	100	ABI Hldgs. 10pc CULS	112	—	10.0	8.9	—	—
76	39	Airsprung	70	+1	4.7	6.7	11.1	[illegible]
52	21	Armitage and Rhodes	43xd	—	4.3	10.0	3.6	8.1
200	92½	Bardon Hill	[illegible]	—	9.7	4.9	9.8	[illegible]
104	88	Deborah Services	103	—	5.5	5.3	5.1	9.7
126	88	*Frank Horsell*	105	—	6.4	6.1	6.8	[illegible]
110	39	Frederick Parker	63	—	1.7	2.7	27.4	—
110	64	George Blair	64	—	3.1	4.8	—	—
99	93	IPC	99	—	7.3	7.4	7.1	10.6
113	59	Jackson Group	107	—	7.0	6.5	3.4	7.8
130	103	James Burrough	125	−1	8.7	7.0	9.1	11.5
334	244	Robert Jenkins	310	—	31.3	10.1	4.3	11.8
59	50	Scruttons "A"	59	—	5.3	9.0	9.1	8.4
224	189	Torday	188	−1	15.1	8.0	7.3	12.5
23	8	Twinlock Ord.	13	—	—	—	—	—
90	68	Twinlock 15pc ULS	76	—	15.0	19.7	—	—
56	35	Unilock Holdings	37	—	3.0	8.1	6.8	11.2
103	91	Walter Alexander	93	—	6.4	6.9	6.1	10.8
283	181	W. S. Yeates	235	−1	13.1	5.6	4.5	8.9

THE TRING HALL USM INDEX

127.5 (−0.3)

at close of business 19/8/81

BASE DATE 15/11/80 100

Tel 01-248 5675

CORAL INDEX

Close 559-564 (−6)

OIL INDEX

October Refined $42.20

December Refined $43.30

BIDS AND DEALS

Mr Raper slams City as Gasco mops up St Piran

BY JOHN MOORE

Gasco Investments, the Hong Kong master company of Mr Jim Raper, the Far East financier, holds, or has received, acceptances for Saint Piran shares representing 94.17 per cent of the tin mining and housebuilding group's equity.

Gasco announced the details of its holdings in Saint Piran yesterday, following the closure of its 60p per share takeover bid on August 14. At the same time Mr Jim Raper launched an attack on recent action taken by the Takeover Panel and the Stock Exchange in the affairs of Saint Piran.

Gasco is registered with 9.9m shares (84.95 per cent) and has acceptances totalling 1.08m shares (9.22 per cent). Commenting on its bid yesterday, which provoked a major City row earlier this year, Gasco said that "it feels that the high level of acceptances indicates that the price was viewed by the main body of shareholders as a fair one and indeed, another independent bidder, Burma Mines, accepted 60p per share after making its own offer at the same price."

Approvals from a sufficient number of shareholders have been received for Gasco to implement section 209 (1) of the Companies Act 1948 to compulsorily acquire the rest. Gasco is proceeding to issue the necessary notice under section 209 (1), which notice "overrides other relief under section 209 (2)."

Gencor Group, the South African mining company, through Runic Nominees, which holds 70,000 shares in Saint Piran, is planning to use the provisions of section 209 (2) to require Gasco to buy its shares and will attempt to use the Companies Act's provisions "to secure a more equitable price than the 60p per share offered by Gasco."

In yesterday's statement Mr Jim Raper, now a director of Saint Piran, hit out again at the City establishment.

"In 1980, the Takeover Panel made a ruling that there was a concert party in 1979 between Mr J. J. Raper, Gasco, of which he is chairman, and Aerolineas Cordoba and Ruffec. Mr Raper, on behalf of himself and Gasco, denied such a concert party. In a subsequent investigation carried out by Inspectors of the Department of Trade, Mr Raper was vindicated. No such concert party was affirmed either in the interim or final reports published in 1981 by the Department of Trade."

He said that it should be noted that the Panel's "case" for a concert party "now discredited, formed the basis of Sir Jasper Hollom's congratulations of the Panel's executive in the Panel's annual report."

Of the Stock Exchange, Mr Raper said that it has continued to penalise ordinary shareholders, at the behest of the Takeover Panel, by "suspending the shares of South Crofty and Milbury, two previously publicly quoted subsidiaries. The Stock Exchange had already shown its lack of interest in small shareholers by suspending Saint Piran."

He said that the directors are satisfied that the group remains profitable although at a reduced level "and the efforts of the directors will now be concentrated on repairing the damage done."

He concluded: "The sooner the arbitrary and self-interested proceedings of the (Takeover) Panel and the Council of the Stock Exchange are replaced by legislation that is fair to all, the better. Their actions have undoubtedly damaged Saint Piran and its subsidiaries."

LMS bid for Cambridge fails as only 7.8% accept

THE £17.5m bid for control of Cambridge Petroleum Royalties by Lord Rayne's London Merchant Securities has failed.

London Merchant Securities only received acceptances from shareholders in the oil and gas royalty company representing 7.78 per cent of the equity by the time the offer closed yesterday afternoon.

Mr Christopher Jenner, a director of Cambridge, which has been fighting the approach from London Merchant Securities, said yesterday that the group "have a sense of great pleasure. We are grateful to shareholders for their support."

London Merchant Securities offer was conditional on the group gaining more than 50 per cent acceptances. The offer, worth 350p per share, has now lapsed.

During the campaign for control, Lord Rayne had told Cambridgeshareholders that "if the offer lapses, the entire London Merchant Securities and Westpool holdings in Cambridge will be offered in the market at 350p per share."

Westpool Investment Trust is the parent company of London Merchant Securities.

London Merchant Securities holds 6.57 per cent of Cambridge's equity. J. Henry Schroder Wagg, advisers to London Merchant Securities, said yesterday that LMS was considering selling its stake, but so far the property, oil and gas company had reached "no conclusion."

Amalgamated Metals and Preussag holding talks

Amalgamated Metals Corporation—the metal and mineral merchants and tin smelters—and Preussag AG — the German mining, metals and chemical group—are having discussions which may lead to the German company buying out the UK minority shareholders.

In September 1978 Preussag acquired 79.5 per cent of the British company. The remaining shares are held by about 3,500 shareholders, most of which are in the hands of City institutions.

Amalgamated Metals stresses that talks are at "a preliminary stage" and "it is too early to say whether or not firm proposals will result." The company's shares rose sharply on the news, closing at 387p, up 87p. At this price, Preussag, which is being advised by Lazard Brothers, the merchant bank, would have to pay about £5m for the remaining 20.5 per cent.

Amalgamated Metals, which is being advised by Morgan Grenfell, made a pre-tax profit of £10.86m for the year to December 31, 1980 as against £8.236m. The company stated there had been a "substantial deterioration in the second half of the year, a trend which has continued into 1981." The final dividend was reduced to 6p

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Tuesday, August 18, 1981.

Contracting, Construction	+45.27	Food Retailing	+22.18
Other Industrial Materials	+40.10	Other Consumer	+21.16
Health and H'sehold Products	+37.65	Brewers and Distillers	+20.00
Packaging and Paper	+35.78	Financial Group	+17.88
Leisure	+35.33	Newspapers, Publishing	+17.57
Insurance Brokers	+34.21	Merchant Banks	+17.06
Textiles	+33.67	Investment Trusts	+16.89
Tobaccos	+33.24	All-Share Index	+15.28
Building Materials	+31.55	500 Share Index	+14.59
Hire Purchase	+31.44	Office Equipment	+14.41
Food Manufacturers	+30.89	Banks	+14.13
Electricals	+30.54	Motors	+13.72
Capital Goods	+30.39	Property	+10.99
Engineering Contractors	+26.72	Stores	+10.79
Insurance (Composite)	+25.79	Other Groups	+ 7.91
Insurance (Life)	+25.52	Chemicals	+ 1.83
Mining Finance	+24.85	Overseas Traders	+ 1.35
Mechanical Engineering	+24.75	Shipping and Transport	+ 0.51
Industrial Group	+23.96	Gold Mines Index	− 5.18
Consumer Group	+23.93	Discount Houses	− 6.18
Metals and Metal Forming	+23.86	Oils	−16.37

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$375	—	—	3	73	—	—	$432.50
GOLD C	$400	60	35 A	31	57	2	72	"
GOLD C	$425	23	12	52	35	3	53	"
GOLD C	$450	3	1 A	44	23 B	89	35	"
GOLD C	$475	—	—	57	15	22	27	"
GOLD C	$500	—	—	1	7	14	18	"
GOLD C	$525	—	—	6	5 A	—	—	"
GOLD P	$375	—	—	20	6 B	—	—	"
GOLD P	$400	—	—	55	8.50	—	—	"
GOLD P	$425	—	—	11	17 A	—	—	"
GOLD P	$450	—	—	12	25	15	29	"
GOLD P	$475	—	—	10	40	—	—	"
		Oct.		Jan.		April		
ABN C	F.300	5	10	—	—	—	—	F.294
ABN C	F.320	19	3.50	—	—	—	—	"
AKZO C	F.22.50	54	4.10	—	—	—	—	F.26.30
AKZO C	F.25	326	2 B	14	3.60	4	5	"
AKZO C	F.27.50	319	0.90	193	2.20	30	3	"
AKZO P	F.25	105	0.60	34	1.10	—	—	"
AKZO P	F.27.50	—	—	—	—	5	2.50	"
AMRO C	F.55	—	—	4	3	—	—	F.51.80
AMRO C	F.60	—	—	4	1.40	—	—	"
HEIN C	F.45	5	3	—	—	—	—	F.45.10
HEIN C	F.50	5	1.50	—	—	—	—	"
HOOG C	F.20	16	1	—	—	—	—	F.18.10
HOOG C	F.22.50	100	0.40	—	—	—	—	"
KLM C	F.90	7	22.50	—	—	—	—	F.108.50
KLM C	F.100	24	15	—	—	—	—	"
KLM C	F.110	62	10.20	—	—	—	—	"
KLM C	F.120	12	6.80	—	—	—	—	"
KLM C	F.130	60	3.80 A	—	—	—	—	"
KLM C	F.140	10	2.10	5	5.50	—	—	"
KLM C	F.150	—	—	4	3.50 A	—	—	"
KLM P	F.80	5	1 A	—	—	—	—	
KLM P	F.90	20	1.70	—	—	—	—	"
KLM P	F.100	11	5	—	—	—	—	"
KLM P	F.110	10	9	—	—	—	—	"
NEDL C	F.140	—	—	5	19.50	—	—	F.156
NEDL C	F.150	10	11.50 B	—	—	—	—	"
NEDL C	F.160	15	6	—	—	—	—	"
NEDL P	F.150	20	4	—	—	—	—	"
PHIL C	F.22.50	262	2.60	52	3.60	5	4.80	F.23.60
PHIL C	F.25	69	1.20	21	2.10	27	3.20	"
PHIL C	F.27.50	6	0.40	63	1.20	—	—	"
PHIL P	F.20	35	0.20	—	—	—	—	"
PHIL P	F.22.50	200	0.60	8	1.10	—	—	"
RD C	F.90	44	8	23	9.50	—	—	F.96.10
RD C	F.100	259	2.50	41	4.80	10	6.20	"
RD C	F.110	258	0.70	—	—	—	—	"
RD P	F.80	25	1.10	—	—	—	—	"
RD P	F.90	150	3.90	—	—	—	—	"
RD P	F.100	28	8	—	—	—	—	"
RD P	F.110	12	15	—	—	—	—	"
UNIL C	F.140	—	—	5	22	—	—	F.160.50
UNIL C	F.150	55	14.20	53	14.50 B	—	—	"
UNIL C	F.160	58	6	5	7.50	5	10	"

TOTAL VOLUME IN CONTRACTS 4046

A=Asked B=Bid C=Call P=Put

Airways board to accept Guthrie offer

The board of Page Airways Inc is to recommend acceptance of the Guthrie Corporation's offer of $57.65. It expects the formal offer to be made today.

The offer is conditional upon the approval of shareholders of Page Holding Corporation, owner of 82.57 per cent of Airway's stock, and adoption of an agreement between Holding and Guthrie.

The Holding's board has tentatively approved the proposal and recommended it to shareholders.

WETTERN MEETING IS ADJOURNED

The extraordinary meeting called yesterday by Wettern Brothers was adjourned. The meeting was called to consider the new circumstances arising from the offer for its subsidiary the Mono Group, by Charcon Products.

On August 14, Wettern received a cash offer of £1.65m from Charcon, which is a subsidiary of the Charterhouse Group. Earlier, on August 3, the board of Wettern said agreement had been reached for the disposal of Mono Concrete and its subsidiaries, the Mono Group, to Marshalls (Halifax) for a consideration of £1.3m in cash, conditional only on the approval of the ordinary shareholders of Wettern.

After yesterday's adjourned meeting, the Wettern board said it believed that it was in the best interests of shareholders that they should be given the opportunity at a general meeting to consider the improved offer from Charcon, as well as the original offer from Marshalls.

NEW COMPANY

Increasing activity in management contracting has led to the formation of a new company, Laing Management Contracting (Scotland), within the John Laing Group.

A subsidiary of Laing Management Contracting, the new company will represent management contracting interests for Laing in Scotland.

Stoddard board unmoved

STODDARD HOLDINGS, the Scottish Axminster and Wilton carpet maker, remains unmoved at the attempt of Hampton Corporation, a Panamanian registered company which holds around 12.05 per cent of the voting shares, to oust the current board.

Sir Robert Maclean, the company's chairman, said yesterday Hampton had every right to raise issues it thought were appropriate to the running of the company.

He said Hampton had refused the board's previous invitations to meet the directors and sent an almost identical letter to shareholders ahead of last year's annual general meeting, but then failed to turn up.

On Hampton's specific proposals, he said he found the call for the appointment of an outside independent auditor strange as the company already had an independent auditor in Arthur Young McClelland Moores and Company.

On the proposal to make the retirement age of 65 for directors mandatory, the chairman, himself older than this, said that ability rather than age counted.

He also rejected Hampton's call for the election of three financial persons on the board, saying the board included several Scottish chartered accountants.

As to the desire of Hampton to appoint a committee to investigate Stoddard's purchase of Lyle Tufted Carpets and the carpet operations acquired from Guthrie, the chairman said this was "a very sound purchase." Shareholders, he added, overwhelmingly voted in favour of the acquisition at a special meeting convened to discuss the matter which Hampton did not attend.

MINING NEWS

Bougainville's earnings fall 66% in first half

BY KENNETH MARSTON, MINING EDITOR

ANOTHER Rio Tinto-Zinc group company reports a fall in profits, this time it is the Bougainville copper-gold mine in Papua New Guinea.

The potent combination of low metal prices, rising costs and a strong PNG currency has lowered Bougainville's first half 1981 earnings by 66 per cent to K12.8m (£10.1m) from K38m in the same period of 1980.

The interim dividend is cut to 2 toea (1.58p). For 1980 there was an interim of 8 toea followed by a final also of 8 toea plus a bonus of 4 toea. The company comments that this year's final will largely depend on movements in metal prices and exchange rates.

During the latest period the mine raised its production by 10 per cent and sales by 21 per cent above the levels of a year ago. But the effects of this were outweighed by the lower metal prices.

Bougainville comments that, in real terms, recent copper prices are among the lowest recorded in the past 25 years and says that if these prices prevail for any length of time a substantial proportion of the world's copper mines will become uneconomic.

It adds that the situation has been compounded by the fall in value of important by-products such as gold, silver, molybdenum and cobalt, which in recent years have become critical elements in the profitable operation of many copper mines.

Bougainville has been additionally affected by the PNG Government policy of maintaining a strong rate for the kina against the U.S. dollar in order to restrain inflation. An appreciation of 3.5 per cent has been seen in the kina during the latest half year and this, of course, reduces the revenue flowing in from exports.

But rays of light are appearing for Bougainville—53.6 per cent owned by CRA—and the RTZ group as a whole with the present improvement in metal prices. While the near-term outlook for copper remains uncertain, Bougainville still thinks that medium term prospects are good.

It is pointed out that underlying supply and demand for copper are in balance with stocks barely sufficient to meet normal requirements and there is a general expectation of a recovery phase in 1982 for the major industrial countries. In addition, the company sees signs that the value of the kina may have started to decline.

But Bougainville warns that profits for the current half year will continue to fall if metal prices do not pick up further. And measures are being examined to contain operating costs and defer capital spending which is not immediately essential.

The share market took a philosophical view of the latest results yesterday and Bougainville shares hardened 1p to 111p.

W. Continental to control Woodada in A$100m deal

SHARES OF Australia's Strata Oil, Haoma Gold and North West Mining fell sharply on London and Australian stock exchanges yesterday, along with those of the London-registered Hampton Trust.

This followed news of a proposed near A$100m (£62.4m) deal which will lead to a transfer of ownership of the majority holding in the Woodada gas field in the onshore Perth Basin of Western Australia. The deal values EP 100, the area containing Woodada, at A$153m.

The present holdings in the Woodada field, located in EP 100, are Hughes and Hughes of Texas, the operators of the field, with 65 per cent, Strata Oil, 26.95 per cent, Hampton Trust, 3.5 per cent, Mincorp, 1 per cent. The remainder is spread among various companies and individuals.

Western Continental Corporation, a natural resources exploration company controlled by Dr Ron Wise and Mr Y. Goldberg—both formerly directors of Strata, Haoma and North West at the time of the Woodada 1 gas discovery—has agreed to purchase 15 per cent of Hughes and Hughes' 65 per cent stake in EP 100 at a price of A$22.5m (£14m).

In addition Hughes and Hughes have also granted Western Continental an option to purchase a further 15 per cent of EP 100 on or before April 1 1982 at a price of A$22.5m or the remaining 50 per cent of EP 100 at a price of A$75m.

If the first option is exercised Western Continental can purchase the remaining 35 per cent for A$54.6m. Hughes and Hughes will continue as operators at EP 100 with Mesa Petroleum acting as contractors.

Western Continental has assigned the right to purchase the Woodada stake to its oil and gas exploration arm, Eastern Petroleum acting as contractors. trolled by Dr Wise and Mr Goldberg. Mr Dan A. Hughes has joined the board of Eastern Petroleum.

As consideration for the right to purchase the EP 100 holding Eastern Petroleum will issue to Western Continental 3m fully paid shares plus 10m options exercisable at 90 cents on or before August 13, 1982.

In order to fund the cash consideration of the acquisition, directors of Eastern are seeking shareholders' approval to place 5.8m shares at A$1.10.

Following the placement Eastern will propose a renounceable rights issue of three new shares for every two held at a price of 90 cents a share.

The deal removes the question mark overhanging Woodada as regards the "Australianisation" of the field. Hughes and Hughes, one of America's most successful oil and gas explorers, are believed to have expressed a wish to devote their activities to exploration in the United States in view of increased exploration incentives.

Haoma Gold and North West Mining respectively control 16.8 per cent and 25 per cent of Strata Oil. Shares of Western Continental and Eastern Petroleum Australia are dealt in on the London Stock Exchange under rule 163(1) (e).

Avana sets aim for Robertson

ROBERTSON FOODS will be gradually brought up to the level of profit performance achieved by its new parent, Avana Group, says Sir Julian Hodge, group chairman. However he points out in his annual report that this improvement will take time because some of the markets in which Robertson operates are notoriously low margin areas.

"But I feel that we have already identified the management within Robertson Foods which will equal that of Avana over a period of time and perform accordingly."

A pro-forma balance sheet illustrating the introduction of Robertson Foods to the group indicates that at the end of March net tangible assets would have been £30m—equivalent to 89.2p per share—compared with the reported total of around £17m and almost 70p a share.

Avana may find that parts of its new subsidiary do not fit its marketing philosophies and requirements and these sections might be sold. But the first aim is to raise the return on sales and assets and ensure its contributes proportionately to overall group profitability, says Sir Julian.

Investment in capital equipment will be made to improve efficiency and reduce production costs and some rationalisation of production will be made, he explains.

For the group as a whole the chairman reiterates his forecast of a year of progress, made with the preliminary figures released in July. These showed taxable profit ahead to £5.19m (£4.15m) for the year to March 28, 1981.

Commenting on the impact of high unemployment he warns that pressure on household spending could cause a measure of trading down by the group.

"I believe if this were to happen it would be only temporary but it could have a marginally depressing effect on our business."

Meanwhile the year has started satisfactorily and there is every prospect that the company will continue in the same manner for the rest of the period.

Avana Bakeries is again expected to do well. When a new range of products is in production it will bring another surge in profits the chairman states.

The recent level of progress by De L'Ora fruit juice is likely to be maintained despite increases in selling price.

Avana Meat Products is unlikely to make any major strides until the "cloud of suspicion" hanging over the whole meat trade has cleared, Sir Julian says.

At year end the group had free cash balances of some £9m which means it can look to the funding of the Robertson Foods borrowings from its own resources, the chairman points out.

Net dividend is being effectively raised to 5p (4.17p).

On a current cost basis pre-tax profit is reduced to £4.32m.

Meeting, Cardiff, on September 11 at 3 pm.

LONDON TRADED OPTIONS

August 19, Total Contracts 1369. Calls 1057, Puts 312.

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	280	50	1	60	—	68	—	328p
BP (c)	300	32	—	46	—	56	3	"
BP (c)	320	18	7	32	—	—	—	"
BP (c)	360	8	—	17	45	—	—	"
BP (c)	410	2	—	4	10	—	—	"
BP (p)	320	11	2	17	—	—	—	"
BP (p)	350	28	—	32	26	—	—	
CU (c)	160	15	6	23	—	26	—	167p
CU (c)	180	9	64	15	3	18	—	"
CU (c)	200	3	3	6	5	8	—	"
Cons. Gld (c)	460	75	—	90	20	105	—	526p
Cons. Gld (c)	500	50	12	70	—	80	—	"
Cons. Gld (c)	550	20	21	40	2	50	1	"
Court'lds (c)	60	7	—	12½	2	14½	—	64p
Court'lds (c)	70	3	15	6	20	8½	—	"
Court'lds (c)	80	1	10	2½	—	—	—	"
GEC (c)	750	70	—	97	2	125	—	794p
GEC (c)	800	35	11	63	10	93	—	"
Gr'd Met. (c)	200	23	25	33	—	41	—	217p
Gr'd Met. (c)	220	10	35	19	—	25	2	"
Gr'd Met. (p)	200	5	35	8	—	10	7	"
Gr'd Met. (p)	230	12	1	15	—	18	—	"
ICI (c)	260	30	10	44	2	54	—	284p
ICI (c)	280	14	7	30	—	36	—	"
ICI (c)	300	5	13	18	1	24	—	"
ICI (p)	280	12	5	16	—	22	1	"
Land Sec. (c)	312	31	—	41	2	—	—	334p
Land Sec. (c)	335	16	25	25	—	—	—	"
Land Sec. (c)	360	—	—	—	—	21	20	"
Mks & Sp (c)	110	32	1	—	—	—	—	137p
Mks & Sp (c)	130	14½	25	18	—	23	—	"
Mks & Sp (c)	140	6	185	10	5	19	—	"
Shell (c)	360	48	3	60	—	70	3	402p
Shell (c)	390	26	3	42	—	50	—	"
Shell (p)	390	14	5	18	—	22	—	"
Shell (p)	420	28	2	30	—	34	—	"
		August		November		February		
Barclays (c)	420	42	—	55	3	72	—	460p
Imperial (c)	60	3½	—	5	—	3	13	63p
Lasmo (c)	550	67	7	97	4	125	—	614p
Lasmo (c)	600	22	20	65	5	94	5	"
Lasmo (c)	650	4	5	34	—	50	—	"
Lasmo (c)	700	⅛	2	14	1	—	—	"
Lonrho (c)	90	2	—	5½	25	9	55	90p
Lonrho (c)	100	½	70	2½	10	4½	—	"
Lonrho (c)	110	½	6	1	5	—	—	"
Lonrho (p)	90	1	—	6	8	7	—	"
Lonrho (p)	100	10	—	13	8	14	—	"
P & O (c)	120	1½	—	6	2	10½	6	117p
P & O (c)	130	½	—	2½	—	6	3	"
P & O (c)	140	½	—	1½	—	2½	5	"
Racal (c)	360	118	1	132	—	142	—	475p
Racal (c)	390	88	10	105	4	115	—	"
Racal (c)	420	58	2	78	1	95	4	"
Racal (c)	460	20	6	45	4	65	—	"
Racal (c)	500	—	—	23	9	42	12	"
Racal (c)	360	¼	5	2	—	6	—	"
Racal (p)	420	½	—	8	200	15	—	"
Racal (p)	460	7	3	22	—	28	—	"
Racal (c)	500	—	—	40	2	50	2	"
RTZ (c)	460	140	3	150	—	195	—	597p
RTZ (c)	500	100	—	117	3	162	6	"
RTZ (c)	550	50	61	80	—	120	—	"
RTZ (c)	600	10	6	52	16	94	3	"
RTZ (c)	650	—	—	38	5	52	12	"

C=Call P=Put

Hoover director for Europe

Mr A. V. J. Simpson has been appointed to the board of HOOVER LIMITED to take charge of the company's European operation. His title will be director, Continental Europe. Mr Simpson joined the company in 1967 as financial controller for Scandinavia. He then had a number of appointments with the overseas division before he was made associate director responsible for the company's administrative services.

★

Mr Charles Keeling has been appointed financial director on the board of T. I. RUSSELL HOBBS. Mr David Gallimore has become chief accountant and Mr Robert Moore joins as financial accountant.

★

Mr Andrew Ellison has been appointed a director of CLARKSON PUCKLE U.K.

★

Mr Eric Green has taken over responsibility for the marketing and sales of ERF vehicles and parts while retaining his position as deputy chairman of ERF. Mr Bob Chadwick has resigned as sales director and left the company.

★

Mr H. R. Wynne-Griffith has resumed his membership in London with DUNCAN C. FRASER AND CO. on his return from the Far East. He has been succeeded in Malaysia by Mr R. A. J. Waddingham who remains a partner.

★

Mr G. G. Marshall has been appointed secretary to the ENGINEERING INDUSTRY TRAINING BOARD following the retirement of Mr H. M. Lang. Mr Marshall has been controller of administration since June, 1966.

★

Mr Michael Reddy has been appointed division manager, corporate finance and credit with AL SAUDI BANQUE, London. He was formerly with the Bank of America in Bahrain.

★

PROVIDENCE CAPITOL life assurance company has appointed Mr Brian Wickens as senior pensions manager, and as a director of Providence Capitol Assurance (Pensions).

★

Mr Michael Smith has been appointed managing director of the TIGNER-ROCHE GROUP from September 1.

★

Mr Michael Bradbury has been appointed by SCANDINAVIAN BANK as manager of its new forfaiting department.

★

CIBC LIMITED, the wholly-owned merchant banking subsidiary of Canadian Imperial Bank of Commerce, has appointed Mr M. A. G. Pedroso as associate director with reponsibilities for the international lending activities of the company in Latin America. Mr Pedruso joined Canadian Imperial Bank of Commerce in Toronto, Canada, in 1975 and comes to CIBE Limited after a posting as resident representative of Canadian Imperial Bank of Commerce in Sao Paulo, Brazil, since 1976.

★

The INDEPENDENT BROADCASTING AUTHORITY has appointed Mr Edwin Riddell to the new post of chief radio programming officer. Sheila Porritt has become principal radio programming officer.

★

Mr Graham Ketley has become marketing director of HALLITE SEALS a subsidiary of Hallite Holdings. He was previously with Power Technology.

★

Mr J. G. Baker has been appointed an executive director of CHARLES WELLS, of Bedford, in charge of the licensed estate of the company.

★

Mr Isao Shintani, director of KAWASAKI (LONDON) ("K" Line) returns to Japan at the end of August where he becomes a general manager of the liner department of the parent company. Mr Masaaki Fumoto has been elected a director of Kawasaki (London) in his place.

★

AMERICAN CAN (UK) has appointed Mr Howard Lomax as director of finance and planning. He joined the company a year ago from American Can International.

★

Mr V. J. Harris has been appointed manager, deep water moorings of BRITISH ROPES following the award to the company of the Exxon contract for a wire rope mooring system for a new guyed tower oil production platform.

★

Mr Hugh McKinnon has been appointed technical director on the board of BRAIDWOOD DEVELOPMENTS, a member of the Intercobra Group.

★

The Lord Chancellor has appointed Mr D. L. Prebble to be a Master of the Queen's Bench Division of the High Court from September 28.

★

Mr Jim Mazza, president, EMI America/Liberty Records Inc., has been appointed to the EMI MUSIC worldwide management board and has also been elected to the CAPITOL INDUSTRIES-EMI INC. board, the parent of Capitol Records.

★

Mr D. B. Omand has been appointed private secretary to Mr John Nott, Secretary of State for Defence. Mr Omand takes up his new appointment, in succession to Mr Brian Norbury, on August 25.

Quebec Government builds stake in Domtar

By Our Financial Staff

STAKES TOTALLING 42 per cent in Domtar, the Montreal-based pulp, paper and chemicals and building mateirals group, have been built up by two provincial government corporations of Quebec.

The two Quebec companies—Societe Generale de Financement du Quebec (SGF) and Caisse de Depot et Placement du Quebec—want representation on the board of Domtar, Canada's third largest paper company. They would consider "an eventual dilution" of their investment if such representation is not granted.

SGF said it now holds 32 per cent of Domtar. But the 20 per cent stake held by Caisse due Depot, manager of the pension fund of Quebec Province, seems little changed from 12 months ago when it paid C$75.6m (U.S.$63m) for 2.8m shares in Domtar then held by MacMillan Bloedel, Canada's largest forest products company. The Domtar stake had been passed on to MacMillan some six months earlier by Argus Corporation when the Black family was restructuring its investments.

SGF was originally set up in the early 1960s as a joint venture with private enterprise. After years of disastrous results, it was baled out by the Quebec Government which became its only shareholder some 10 years ago. Last year, the company declared a profit of C$50m on sales of about C$800m.

Until the Domtar purchase, SGF had interests in 10 industrial companies and control of eight. Until yesterday its biggest interests were in Donahue, a paper company based in Quebec city and shipbuilder Marine Industries.

Recently SGF has indicated its intention to become a major force in three sectors: petrochemicals, energy and forest products. On the energy scene, it is involved in a joint venture with Gulf Canada and Union Carbide.

Caisse de Depot has been moving in the same direction. Set up more than 15 years ago to invest premiums of the Universal Quebec Pension Plan, the Caisse now manages most government employee pension funds as well. Wtih assets of appointed board, has been bepool of capital in Canada.

American Express to keep offshore banking unit

BY IAN HARGREAVES IN NEW YORK

AMERICAN EXPRESS yesterday took down the "for sale" notice from its large offshore banking subsidiary and named Mr Alva Way, its president, to the additional position of chairman of the banking operation.

In June, American Express, at the time of its merger with Shearson Loeb Rhoades, had said it was considering sale of the American Express Interntaional Banking Corporation (AEIBC) because legal restrictions upon banks in the U.S. might limit its freedom to develop as a broadly based financial services company.

A casualty of the reversal in policy is Mr Richard Bliss, chairman of AEIBC, who has resigned "to pursue other interests."

Mr Bliss was an enthusiastic advocate of hiving off AEIBC under new ownership, said Mr James Robinson, chairman of American Express.

Mr Robinson said that after a thorough review it had been decided that the most attractive option was to retain AEIBC as an integral part of American Expresses's international business.

Under new ownership, Mr Bliss had argued, the bank would have been free to develop a U.S. domestic presence as well as an international one.

Mr Robinson said that no changes were envisaged in AEIBC's lines of business, although the bank planned to put special effort into its relationships with central banks.

The governing council of AEIBC will now be formed by Mr Way, Mr James Greene, who retains his job as president of AEIBC, and Mr Robert Smith, treasurer of the parent company, who also becomes vice-chairman of AEIBC under the reshuffle. AEIBC has assets of $6.9bn and earned American Express $41m last year.

Strong second quarter for Sears Roebuck

By Our Financial Staff

THREE MAJOR U.S. department store groups, including Sears, Roebuck, the leader, have turned in strong growth in net profits for second quarter to the end of July.

Sears pushed up profits from by 26 per cent from $132.9m to $167.9m on sales 13 per cent higher at $6.78bn compared with $6bn. The strong upturn followed an improved first quarter and half-year results came out at $262.1m, against $191.9m, with sales up from $11.47bn to $12.89bn.

At Federated Department Stores the second quarter profit increase was a more impressive 52 per cent, from $23.88m to $36.21m on sales ahead by 14 per cent from $1.35bn to $1.54bn. Earnings per share were 75 cents against 48 cents.

After six months, net profits were $76.94m compared with 50.39m, orf $1.59 a share against $1.40, on sales of almost 15 per cent higher at from $2.67bn to $3.06bn, against $2.67bn previously.

Meanwhile, May Department Stores maintained its first quarter growth rate of 33 per cent in the second quarter, lifting net earnings from $14.99m to $19.89m, for a half-year total of $36.22m against $27.11m, or $1.23 a share compared with 93 cents. Sales were almost 11 per cent higher at $1.47bn for the six months.

Sharp increase in Bond's net operating earnings

BY OUR FINANCIAL STAFF

BOND CORPORATION, the Australian natural resources, property and industrial concern, headed by Mr Alan Bond, the Perth businessman, increased its net operating profits in the year to June 30 by 62 per cent to A$10.8m (U.S.$12.4m).

A dividend of 10 cents a share is declared, compared with 7.5 cents in the previous year, from earnings of 23.7 cents, compared with 21.3 cents. The net tangible asset backing a share is put at A$2.91, against A$2.72 a year earlier.

In addition to its operating profits, Bond reports extraordinary gains of A$1.31m, substantially below the A$62.9m of the previous year. The 1979-80 extra-ordinary items, however, were mainly the result of the forced sales of a substantial stake in Santos, the Adelaide-based energy concern with substantial interests in the Cooper Basin field, which supplies Adelaide and Sydney.

Bond acquired a stake of 37.5 per cent in Santos in mid-1978 for A$36m, but was forced by the South Australian Government to reduce its interest to 15 per cent.

The group's consolidated net operating profit for the year to June was A$13.2m, against A$7.7m, with the tax bill rising to A$2.4m from A$1.1m.

Braun plans U.S. hi-fi link

BY JONATHAN CARR IN BONN

BRAUN, the West German electrical appliance maker, plans to co-operate with a leading U.S. hi-fi concern, Analog and Digital Systems (ADS) in order to boost business in both Europe and the U.S.

Negotiations are underway between Braun and its majority shareholder Gillette of the U.S., on the one hand, and ADS of Massachusetts on the other. The aim is to create a new company, Braun Electronic, which would embrace Braun's own hi-fi activities and which would have Gillette and ADS as shareholders.

Braun said that ADS would bring to the new joint company its expertise and experience in hi-fi research, development and marketing. Braun has long had a specialist niche at the top end of the hi-fi market, but has been hit by strong competition from the Far East.

Last year Braun reported a loss of DM 2.4m ($1m) compared with a DM 14.2m profit in 1979. But this setback was largely attributable to the expense of phasing out its photographic operations. The company is also active in hair-care equipment, household appliances and razors.

Pemex seeks $200m Eurocredit

By Francis Ghilès

PEMEX, the Mexican State oil company, has asked Bank of Nova Scotia to arrange a $200m six-year Eurocredit carrying a ⅝ per cent spread over the London interbank rate. The Canadian bank is believed to be looking for banks willing to underwrite $25m each for what would be a "club" deal.

Other banks in Europe suggest that Pemex wants also to raise $200m-300m in two medium-term credits but has not yet granted any mandates.

A $500m hybrid issue for Pemex, combining loans and bonds, is already being assembled by European Banking Company.

The number of Pemex deals is a little confusing for banks which like to deal with more orderly situations.

● Venezuela's largest private borrower, Electricidad de Caracas, has mandated Morgan Guaranty to raise $50m for 10 years with four years grace. The borrower is paying spread of ⅝ per cent over Libor rising to ¾ per cent, with a management fee believed to be ⅝ per cent.

The terms may not be a good yardstick for those banks will seek on the "jumbo" loan for the Republic of Venezuela expected later this year.

The Republic may borrow up to $1bn to help restructure part of the estimate $14bn short-term debt of Venezuelan state agencies.

● Shearson Loeb Rhodes has obtained a mandate from Ecuador to raise $140m for 12 months. The exact terms are not known but the lead manager will be selling the notes with a spread over Libor of ⅜ per cent. This facility is renewable.

● Four banks are underwriting an $80m eight-year credit with four years' grace for Romania. The facility will bear an optional spread of ¾ per cent over Libor throughout or a spread of ⅜ per cent over the U.S. prime rate for the first four years, rising to ⅞ per cent for the last four.

The banks are Bank of America, Bankers Trust, Bank of Tokyo and Manufacturers Hanover, which is also acting as agent and writing the placing memorandum.

This loan comes after much speculation of a larger loan up to $300m. The proceeds will help with the downpayment and some local costs of exports to Romania by General Electric of the U.S. and Ansaldo Meccanico Nucleare of Italy, a subsidiary of Finmeccanica.

Walker Home launches $50m bond

By Our Euromarkets Staff

WALKER HOME, the Canadian distilling and energy group, is to offer $50m worth of bonds with warrants through its offshore subsidiary, Hiram Walker Holdings NV. This is the fifth issue of two bonds with warrants in recent weeks and the borrower is paying a coupon of 15¼ per cent for three years.

Investors will get two warrants for every bond they purchase and each warrant will allow them to buy an eight-year bond with a zero coupon to yield 15¼ per cent. Joint-lead managers of this issue are Morgan Guaranty and S. G. Warburg.

The price of the last fixed interest bond for Hiram Walker, a 16 per cent issue to 1986 at par, launched last June through S. G. Warburg, declined by one point to 101¾ in the middle yesterday after the new issue was announced.

There was very little activity in the straight dollar sector otherwise where prices of seasoned issues were unchanged.

In the Eurosterling sector, the Japanese industrial fastener manufacturer, Nifco, launched a £10m, 15-year convertible issues through Baring Brothers. The coupon and conversion premium, to be fixed today, are expected to be 6 per cent and 2.7 per cent respectively.

Swiss franc bond prices improved by ¼ of a point yesterday after falling earlier this week because of fears of rising inflation in Switzerland. The SwFr 100m 10-year issue for Philip Morris was priced at par with a final coupon of 6¾ per cent, through Swiss Bank Corporation.

Credit Suisse announced a SwFr 100m 10-year issue for Gillette Overseas Finance. The indicated yield on this bond is 6.75 per cent.

D-Mark foreign bond prices declined by ¼ of a point yesterday in thin trading.

The 7m Kuwaiti dinar 10-year issue for the City of Stockholm was priced at 94¾ by the lead managers, Kuwait Investment Company and PK Banken. The bonds carry a coupon of 10 per cent and offer investors a yield of 10.89 per cent.

Pan Am hotel operations form a complex package

BY ARTHUR SANDLES

THERE IS a little more to buying Intercontinental's 81 hotels worldwide than simply writing out a cheque to Pan American World Airways. This, the 15th largest hotel group in the world, is a complex amalgam of management contracts and direct ownerships, leases and relationships with governments. Any new owner will face a legal tangle that could employ an army of lawyers for months. The buyer must be acceptable not only to Pan Am and its bankers — to whom credit worthiness may be the only test —but also to the investors in individual hotels.

The company operates hotels, but does not own them, in Belgrade, Bucharest, Budapest, Krakow, Warsaw and Prague, for example. It is deep in negotiations with the Chinese and has extensive interests in the Middle East and Africa. One of the group's major successes has been its ability to keep a low political profile and achieve near universal acceptance. New proprietors would have to match that acceptability.

In basic terms Intercontinental is a chain of first class and luxury hotels mainly aimed at the business community. Its 30,182 bedrooms are to be found in 47 countries. Last year, on gross revenues of $819m net income was $23.6m. The group achieved a healthy 69.1 per cent average occupancy level and had an average room rate of $60.16. Some 51 per cent of revenue came from rooms sales, 38 per cent from food and beverages and 11 per cent from ancillary activities such as renting exhibition space.

That it is relatively poorly represented within the U.S. itself is both deliberate and perhaps fortuitous. The chain was developed initially as a support service ofr the airline —putting hotel rooms into places which did not have them in the 1950s and '60s. It has long since acquired a life of its own, but only recently has it turned its attention to the U.S. and declared its intention of intensifying its activities there.

This lack of major domestic presence makes the group immediately attractive to any large U.S. company seeking a higher foreign profile. In theory these include such companies as Hyatt, Marriott and the United Airlines subsidiary Westin. The biggest financial muscles probably belong to International Telephone and Telegraph, through its subsidiary Sheraton, and cash rich Holiday Inns. Indeed, Intercontinental has already had preliminary chats with Memphis-based Holiday Inns.

Britain's Grand Metropolitan group is very much smaller than Intercontinental in terms of sheer number of rooms but is financially well able to take on the U.S. company's activities. That Intercontinental is self-contained and apparently reasonably managed at the moment is also something which is likely to appeal to Grandmet, an organisation which operates on a tiny central administration and which likes its subsidiaries to stand on their own feet.

Trusthouse Forte is twice the size of the Intercontinental chain in room terms and has 10 times as many properties, but the UK company might find Intercontinental an enormous bite to swallow. Another British possible might be the Imperial group, but perhaps it is not ready to repeat the plunge into the hotel business represented by its acquisition of Howard Johnson.

It is worth looking at non-U.S. potential buyers because the Americans themselves have two reasons for holding back—fear of anti-trust laws and a measure of nervousness at the moment about foreign investment.

There is no doubt that if the hotels were placed on the market individually there would be a considerable rush for many of them — but by no means all. The London Intercontinental, with its prime Hyde Park setting, would certainly be in great demand — Westin, Hyatt, Marriott and possibly THF and Ladbroke would be in the bidding. To dispose of 81 properties in this way, however, would take longer than Pan Am's bankers might be prepared to wait.

There is, of course, always a possibility of a compartmentalised bid, taking say Europe and the Middle East as one package and breaking the rest of the chain into similar sections. What is more likely is that someone will buy everything that is clean — in the sense of there being no worrying legal problems — and leave Pan Am with the task of clearing up the untidy ends.

Within Intercontinental itself there is the inevitable hope that the buyer will be some anonymous investor who simply wants to see the group grow. An institutional consortium would be the most welcome.

Such is the breadth of what is on offer, however, that the bids could come from anywhere. There are, for example, companies such as Mandarin Hotels, a group with an enormous reputation in the Fast East and one with sizeable international ambitions. In itself Mandarin is far too small to look at Intercontinental, but it is a 100 per cent subsidiary of Hong Kong Land.

Whatever the bidder, there are those who believe that this will not be the last such offer. Will TWA follow suit with Hilton International? And is Ramada entirely happy with its excursions overseas, are questions being asked.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Monday September 14. Closing prices on August 19

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¼ 88	75	88⅞	89⅜	+0⅛	−1¼	16.03
CIBC 14½ 84	185	95⅝	96⅛	0	−0½	16.44
CIBC 15¾ 86	75	97½	98	+0⅛	−0⅜	15.91
CNA 15¾ 96	75	92½	93	0	−1½	16.56
CNE 12⅜ 91	100	82	82½	−0⅛	−1⅜	16.54
Citicorp Int. Fin. 15 86	150	96⅞	97⅜	0	0	15.94
Citicorp O/S 15½ 84	175	98½	99	0	−0⅜	16.01
Dupont Canada 13½ 91	65	88⅞	89⅜	0	−0⅝	15.79
EEC 14¼ 93	85	92	92½	0	−1½	16.22
EIB 12⅞ 88	75	85⅛	85⅝	−0⅛	−0¼	16.17
Eldorado 13¼ 86	50	90½	91	−0¼	−0¼	16.19
Elec. de France 13 88	125	86⅜	87⅛	0	−1⅛	16.36
Fed. Bs. D. 12¼ 85 (N)	50	87⅜	87⅞	−0½	−1⅛	16.47
Fed. Bs. D. 15¾ 84 (J)	40	98⅜	99⅛	0	−0⅜	16.20
Fin. Exp. Credit 10½ 85	50	83	83½	0	−0⅝	16.69
Finland, Rep. of 9½ 86	100	77⅜	77⅞	−0⅛	−1	16.84
Ford Cr. O/S Fin. 16 84	150	99⅞	100⅜	0	−0⅛	15.78
Ford Cr. O/S Fin. 16 85	150	97⅛	97⅜	+0⅛	+0⅛	16.88
Gaz de France 13½ 86	80	90½	91	0	−1	16.53
GMAC O/S Fin. 12⅞ 88	100	87⅞	88⅜	0	−0⅛	15.89
GMAC O/S Fin. 14¾ 87	100	93½	94	0	−0⅜	16.46
Gen. Mts. O/S 11¾ 87	100	90⅜	90⅞	0	−0⅝	15.81
Genstar 14¾ 91	50	94⅝	95⅛	−0⅛	−1	15.77
Hiram Walker 16 86	50	101⅞	102⅜	−0⅛	−0⅜	15.28
IBM Wld. Trade 12½ 88	200	91⅝	92⅛	0	−0⅛	14.47
IBM Wld. Trade 14⅜ 84	100	100⅞	101⅜	+0⅛	−0⅜	14.18
IBM Wld. Trade 14⅜ 85	60	99⅞	100⅜	+0⅛	−0⅛	14.69
Nat. Bk. Canada 15¾ 84	40	97	97½	−0⅛	0	16.47
Newfoundland 13½ 90	60	87	87½	0	−1½	16.33
Nova Scotia 15 91	75	93⅜	93⅞	0	−0⅛	16.31
Ontario Hydro 13½ 91	100	87⅜	88⅛	+0⅛	−2½	15.99
Pacific Gas Elec. 16 88	75	101⅛	101⅝	+0⅛	+0⅛	16.65
PSNH Int. Fin. 17 88	30	97½	98	0	+0⅛	17.71
Queb. Hy. 13 91 (WW)	100	83⅝	84⅛	−0⅛	−0⅝	16.42
Royal Bk. Canada 14 86	100	93⅞	94⅛	−0⅛	−1⅛	15.80
SNCF 13 91	75	86⅜	86⅞	0	−1⅛	15.76
Sth. California 14 87	50	94⅜	95⅛	0	−0⅛	15.33
Sth. California 14⅜ 88	50	95½	96	0	−0½	15.78
Sven Handlsbk. 13⅜ 88	45	90⅝	91⅛	0	+0⅛	16.02
Swed. Ex. Credit 13 86	75	87⅜	88⅛	0	−1⅛	17.00
Swed. Ex. Cred. 15¾ 86	50	96⅛	97	−0⅛	−1⅛	16.72
Toronto-Dom. Bk. 14 84	50	94	94½	0	−0⅜	16.74
Tribune O/S Fin. 14 86	50	92⅜	92⅞	−0⅛	−0⅜	16.34
Wells Fargo Int. 15½ 84	50	98½	99	0	−0⅜	16.01
World Bank 10⅛ 87	300	78¼	78¾	+0⅛	−0⅜	16.19
World Bank 14⅜ 86	500	93⅜	93⅞	+0⅛	−0½	16.33

Average price changes... On day 0 on week −0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	95⅞	96⅜	−0⅛	−1⅛	10.62
Austria, Rep. of 8¾ 92	150	85⅞	86⅜	−0⅛	−0⅛	10.39
CECA 7⅞ 92	150	85	85½	−0⅝	−0⅜	10.13
CECA 10 91	120	98½	99⅛	−0⅛	−0½	10.17
CII-Honeywell 8⅜ 90	125	86⅜	86⅞	0	−0⅜	10.80
Council of Europe 10 91	100	97⅞	98⅜	0	−0⅜	10.28
EIB 8½ 90	200	87⅞	88⅜	−0⅛	−0⅜	10.56
EIB 10½ 91	200	99⅜	99⅞	+0⅛	0	10.56
ESCOM 9¾ 87	100	90¼	91	−0⅛	−0⅛	11.42
Finland, Rep. of 10 89	100	96⅜	97	−0⅛	−0⅛	10.64
Iberduero SA 9 90	100	91⅜	91⅞	0	0	10.51
Ind. Bk. Finland 8½ 90	50	88½	89½	+0½	+0⅛	10.40
Int.-Am. Dv. Bk. 10 91	100	96⅛	97	−0⅛	−0½	10.56
Japan Air Lines 8⅛ 87	100	89⅜	90	−0⅛	−2⅛	10.46
Japan Dev. Bk. 7⅜ 87	100	87⅜	87⅞	0	−0⅜	10.52
Kobe, City of 8 90	100	87	87⅜	−0⅛	−1⅛	10.22
Midland Int. Fin. 8½ 90	100	89⅜	89⅞	−0⅛	−0⅜	10.32
Nuclebras 9¾ 88	100	85⅞	86⅜	0	−0⅜	12.81
OKB 8¼ 92	150	85⅜	86	−0⅛	−0⅞	10.52
Oslo, City of 8⅜ 90	80	91	91⅜	+0⅛	−0⅜	10.30
Renault Acc. 10⅜ 86	150	96⅞	97⅜	−0⅛	−0⅛	11.54
Venezuela, R. of 9⅜ 90	150	93⅜	93⅞	+0⅛	+0⅛	10.89
World Bank 8 90	700	84⅜	85½	−0⅛	−0⅞	10.66

Average price changes... On day −0⅛ on week −0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	80	†91	92	0	−1	7.77
BFCE 6½ 91	100	†93	93½	+0⅛	+0⅛	7.51
Bayer Int. Fin. 5⅜ 92	100	†89½	90	0	−1	6.58
Belgelectric Fin. 7⅜ 91	100	†98	98¼	+0½	−0⅛	8.03
Bergen, City of 6¾ 91	40	97⅞	98⅜	0	−0⅞	7.02
CECA 6¾ 91	80	95⅜	95⅞	+0⅛	−0⅛	7.41
Denmark 5¾ 90	80	87½	88	+0⅛	+0⅛	7.70
Dome Petroleum 5¾ 91	100	†93	93¾	−0⅛	+0⅛	6.75
Dome Petroleum 7⅛ 90	100	†101¼	101½	+0⅛	−1⅛	7.04
Elet. de France 5⅛ 90	100	84½	84¾	−0⅛	−1½	7.65
Eurofima 5⅝ 92	80	†98½	99	0	0	5.90
Finland, Rep. of 5⅝ 90	80	†85	86	0	+0⅛	7.94
Franc. Petroles 6½ 91	80	92⅜	93	+1⅛	0	7.56
Genstar 7 91	100	100⅜	100⅞	+0½	−1	6.98
Int.-Amer. Dv. Bk. 7 91	100	97	97⅛	−0⅛	−1⅛	7.42
Japan Dev. Bank 5⅜ 90	100	93	93¼	−0⅛	−1	6.78
Mt. Blanc Tunnel 5½ 90	80	†84½	85	+0⅛	−1½	7.92
Neweg 5⅜ 90	80	92¼	92½	+2⅛	+0⅛	6.92
OKB 7 93	100	99⅜	99½	0	−0½	7.07
Oslo, City of 5⅞ 90	80	88⅜	88⅜	−0⅛	−2⅛	7.66
Philips Lamps 5¾ 92	100	86⅜	87	+0½	−0½	7.01
Swed. Ex. Credit 7¼ 91	75	97⅛	97⅜	−0⅛	−0⅛	7.64
Trade Dev. Fin. 6⅜ 90	50	†88	89½	+0⅛	+0⅞	7.90
Voest-Alpine 5⅜ 90	80	†84	85	+0⅛	−0⅛	8.23
World Bank 6 91	100	90½	91	−0½	−1⅛	7.38
World Bank 7 90	100	98½	99⅜	−0⅛	−0⅛	7.05

Average price changes... On day +0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅜ 91	15	97⅛	98½	0	−0½	8.55
Australia 8½ 88	20	85⅞	86⅜	0	−0⅛	9.46
EIB 7⅜ 89	12	93⅜	94⅜	−0⅛	−0⅛	8.92
Finland 6.8 88	10	85	86¼	−0⅛	−0⅛	9.79
Finland, Rep. of 8⅜ 87	15	96⅜	97⅜	0	−0⅛	9.08
New Zealand 8⅜ 87	15	96⅞	97⅞	0	−0⅜	8.96

Average price changes... On day 0 on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 C$	60	†82⅜	83⅜	+0½	−1	15.78
CIBC 13½ 85 C$	50	†92	93	+0⅛	+0½	16.26
CIBC 11½ 85 C$	60	†84	85	0	+0⅜	17.25
Federal Dev. 11½ 90 C$	60	†75½	76½	+0½	−1⅛	16.89
Fst. Can. Inv. 10 84 C$	50	†83	84	+0½	+0⅛	18.06
R. Bk. Canada 10 86 C$	40	†85	87	0	−0⅛	14.22
Tordom Cpn. 13½ 85 C$	30	†91½	92½	−0½	0	16.46
M. Bk. Dnmk. 9 91 EUA	25	86⅞	87⅜	−0⅛	−0⅛	11.27
SOFTE 8¾ 89 EUA	40	82⅜	83⅜	0	−2	11.77
U. Bk. Nwy. 9½ 90 EUA	16	90⅜	91⅜	+0⅞	−0½	11.12
Algemene Bk. 10⅜ 86 Fl	60	93	93½	−0⅛	−0⅛	12.23
Amro Bank 12 86 Fl	75	99	99½	−0⅛	−0⅞	12.19
Heineken NV 10 87 Fl	100	92	92½	0	−1	11.89
Nat. Nedrlndn. 10 86 Fl	60	93½	93⅞	−0⅛	−1⅛	11.49
Ned. Midd. Bk. 10 85 Fl	75	93½	94	−0⅛	−0½	12.02
Pierson 10⅜ 85 Fl	50	91⅜	92⅜	−0⅛	−0⅛	12.83
Rabobank 12 86 Fl	60	98⅜	98⅞	−0⅛	−1	12.29
Air France 14½ 86 FFr	200	91⅜	92⅜	0	−0⅛	17.08
Bk. America 14¼ 86 FFr	250	89½	90⅜	+0⅛	−0⅛	17.73
Charb'nages 13⅞ 86 FFr	400	88⅞	89⅜	+0⅛	0	17.54
EIB 14½ 88 FFr	300	86⅞	87⅞	+0⅛	0	17.49
La Redoute 14¼ 86 FFr	125	86⅜	87⅜	+0⅛	+0½	18.87
OKB 14 86 FFr	400	88⅜	89⅜	+0⅛	−1⅛	17.61
Solvay et C. 14⅜ 86 FFr	200	92⅜	93⅜	0	−1⅛	16.89
Swed. E. Cr. 14⅜ 86 FFr	250	86½	87½	+0⅛	−0⅛	18.99
U. Mex. Sts. 14 85 FFr	150	88⅜	89⅜	+0⅛	−0⅛	18.25
Acona 14 85 £	20	93	94	+0⅛	+0⅛	16.14
Beneficial 14⅜ 90 £	20	83½	84	0	+0⅛	17.93
BNE 13½ 91 £	15	85⅜	86⅛	+0⅛	+0⅛	16.47
CECA 13½ 88 £	20	88½	89⅛	0	+0½	16.79
Citicorp O/S 13½ 90 £	50	90⅜	91½	+0⅛	−0½	15.39
Fin. Ex. Cred. 13¾ 86 £	15	91⅞	92⅜	+0⅛	+1	16.16
Gen. Elec. Co. 12½ 89 £	50	85⅜	86	+0⅛	−0⅛	15.84
Hiram Walker 14⅜ 86 £	25	93½	94	0	+0⅛	16.23
Privatbanken 14½ 88 £	12	90½	91	0	+0⅛	16.58
J. Rothschild 14⅜ 90 £	12	92½	93¼	−0⅛	−0⅛	15.76
Royal Trustco 14 86 £	12	92⅞	93⅜	0	+0⅛	16.13
Swed. Ex. Cr. 13½ 86 £	20	92⅜	93⅜	+0⅛	+0⅛	16.02
Akzo 9¾ 87 LuxFr	500	89½	90½	+0⅛	+0⅛	11.59
Euratom 9¾ 88 LuxFr	500	86	87	−0⅛	0	12.56
Eurofima 10½ 87 LuxFr	500	89	90	0	+0⅞	13.06
EIB 9¼ 88 LuxFr	600	86⅜	87⅜	0	+0⅛	12.83
Volvo 9⅜ 87 LuxFr	500	85⅜	86⅜	0	+0½	13.10

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5⅜ 90	0¼	98	98½	16/12	16⅜	17.05
BBL Int. 5 85	0¼	99	99½	20/11	18.31	18.45
BNP 5½ 88	‡0⅛	99⅜	99⅝	29/10	18.81	18.91
Christiania Bk. 5½ 91	‡0⅛	98½	99	5/11	19.19	19.43
Citicorp O/S Fin. 94	‡0	99⅜	99⅝	31/8	18⅞	18.99
C. Itoh 5⅜ 87	0¼	99½	99⅝	18/9	15.44	15.53
Co-operative Bk. 6 86	0⅛	99½	100	15/11	19.56	19.61
Den Norske Credit 6 90	‡0¼	98⅜	99⅛	5/11	19.19	19.41
Genfinance 5⅜ 87	0¼	98⅞	99⅜	30/10	16.94	17.09
Genfinance 5¼ 92	0¼	99	99½	30/12	18.31	18.45
Giro. und Bank 5⅜ 91	‡0⅛	98⅞	99⅜	23/9	19.06	19.23
GZB 5⅜ 92	‡0⅛	98	98½	5/9	17⅜	17.56
Ind. Bank Japan 5¼ 88	0¼	98⅛	98⅝	9/10	16.44	16.54
Lloyds Eurofin 8 90 £	0¼	97¼	97⅜	6/1	13⅝	13.97
Lloyds Eurofin 5⅜ 92	0¼	98⅜	98⅜	4/12	17.44	17.70
LTCB Japan 5¼ 86	0⅛	98⅛	98⅝	13/12	17⅛	17.36
LTCB Japan 5½ 89	0⅛	99⅜	99⅜	16/1	18.32	18.41
Man. Hanov. O/S 5⅜ 94	‡0⅛	99⅛	99⅝	30/8	19.06	19.16
Merrill Lynch O/S 87	‡0⅛	100	100½	9/11	19.06	19.01
Midland Int. Fin. 5¼ 92	0⅛	98⅜	98⅞	5/12	17⅜	17.62
Midland Int. Fin. 9 91	0⅛	98⅜	98⅜	30/10	16.81	17.07
Nacional Fin. 6⅜ 86	0⅛	98⅜	98⅜	25/1	19⅜	19.44
Nacional Fin. 5½ 88	0¼	97	97½	25/9	14⅞	15.30
Nat. Bk. Canada 5⅛ 88	0¼	98⅛	98⅝	24/8	14½	14.74
Nat. West 5⅜ 94	§0⅛	98	98½	14/10	16.19	16.48
Nat. West Fin. 5⅜ 91	§0⅛	98½	99	15/1	18⅛	18.35
Nat. West Fin. 5⅜ 92	§0⅛	98⅜	98⅜	23/10	16.81	17.09
Pemex 6 91	0¼	97	97½	8/10	15.31	15.75
Societe Generale 5⅜ 91	0¼	98⅜	99⅛	22/1	18⅜	18.61
Sparebanken 6 87	0⅛	97⅞	98⅜	19/12	16.81	17.16
Svenska Hndlsbk. 5 87	0⅛	99½	99⅞	15/1	18⅛	18.24

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅜ 96	7/81	933	93½	94½	−0⅜	0.20
Bow Valley Inv. 8 95	4/81	23.12	103	104½	−1	12.37
Canon 6⅜ 95	1/81	629	203⅜	204⅜	+4½	1.35
Credit Suisse 4⅜ 93	10/79	1236	†89	90	0	8.75
Digicon Fin. 8½ 95	10/81	29.5	†105	106	+1	6.40
Fujitsu 5½ 96	7/81	732	†117½	118½	−1	2.33
Furukawa Elec. 5⅜ 96	7/81	300	†127	128	−0½	−0.40
Hanson O/S Fin. 9½ 95	8/81	2.74	91	92½	+0⅛	3.85
Hitachi Cred. Cpn. 5 96	7/81	1985	†93⅜	94⅜	−1⅛	1.51
Ina Overseas 8⅜ 2000	4/81	42	†103	104	−1⅛	0.79
Inchcape 8 95	2/81	4.55	86½	88	0	11.98
Marion Int. Fin. 9 95	12/80	15.5	†82⅜	83⅜	−1⅞	29.82
Marui 6 96	7/81	931	†91⅜	92⅜	+1⅛	2.07
Matsushita El. 7½ 95	11/80	590	92⅞	93⅞	+1⅛	3.03
Murata 5⅜ 96	7/81	2190	†113⅜	114⅜	+7⅜	2.16
NKK 6½ 96	7/81	188	†123	124	0	47.36
Ricoh 6⅜ 95	8/80	604	168	169⅜	−0⅛	−0.16
Sumitomo M. Ind. 7 95	2/81	181	†164	159½	+0⅜	2.71
Swiss Bk. Cpn. 6⅜ 90	9/80	200	77⅜	79⅜	−0⅛	39.65
Taylor Woodrow 8⅜ 90	1/81	4.94	89½	91⅜	0	1.75
Transco Int. 8⅜ 95	2/81	68	†82½	83½	−2⅛	17.88
Tricorp 8½ 95	12/80	31.25	†87	88½	−6⅛	11.83
Union Bk. Switz. 5 89	2/80	70.79	74⅜	76⅛	+0⅛	11.89
Sharp Cpn. 6½ 96 DM	9/80	595	214½	215⅜	+5⅛	2.44
Uny Co. 6½ 96 DM	11/79	679.3	116	117	0	−4.08

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Akzo expects small surplus for 1981

BY CHARLES BATCHELOR IN AMSTERDAM

NET PROFITS of Akzo, the Dutch chemicals and fibres group, were halved in the first six months of 1981. The company, however, is "not disappointed" with this result in view of the continuing economic recession.

Akzo still expects to attain a "modest profit" for 1981 as a whole and will remain in the black in the second half. After a profitable first half in 1980, Akzo made arge losses in the final six months and closed the year with a net deficit of Fl 68m.

The company "will come nowhere near" making what it regards as a reasonable minimum net profit of Fl 300m, however, Mr Jan Katgert, director responsible for administration, puts Akzo's first half "hard profit," excluding increases in the value of stocks and the effect of inflation, at Fl 10m, against Fl 180m last year.

Akzo's first half net profit fell to Fl 76m ($27m) from Fl 153m, on sales which were 13 per cent higher at Fl 7.2bn ($2.6bn). Costs rose 15 per cent to Fl 6.7bn.

Operating profit was 4 per cent lower at Fl 254.9m. The net interest charge rose 32 per cent to Fl 182.5m but tax was 40 per cent lower at Fl 33.5m.

Net profit in the second quarter was Fl 46.9m, lower than the Fl 63.4m in the same 1980 quarter, but up on the Fl 29.1m in the first 1981 quarter. Turnover rose 18 per cent to Fl 3.7bn.

The 13 per cent rise in turnover in the half-year was based on a rise of only 1 per cent in volume with eight percentage points due to higher sales prices and four points to the firmness of the dollar and other currencies.

Akzo's problem division, chemical fibres, reduced its first half operating loss to Fl 5m from Fl 14m on sales 19 per cent higher at Fl 2.35bn. Volume sales were 10 per cent higher. In the second quarter, however, chemical fibres made a profit of Fl 2m, its first since the opening quarter of 1980.

The relative strength of fibre sales was due largely to performance of American Enka, where in guilder terms, sales increased 60 per cent. In Europe, considerable losses (Fl 60m in the first half) are still being made on synthetic textile and carpet yarns and fibres.

Operating profits of the chemical-products division fell to Fl 69m in the half year from Fl 124m on sales which were 9 per cent higher at Fl 2bn. Volume sales rose 4 per cent. Volume sales of basic chemicals fell sharply, but special chemicals performed "well."

Profits of the coatings, pharmaceuticals, and consumer products division fell to Fl 202m from Fl 226m on sales which were up 10 per cent to Fl 2.9bn in value but 3 per cent lower in volume.

Akzo increased capital spending to Fl 300m from Fl 270m and expects to invest a total of Fl 700m this year compared with Fl 640m. It cut its worldwide workforce by 1,700 to 81,400.

First half earnings up strongly at OCBC

By Our Financial Staff

SHARPLY HIGHER first half earnings are reported by Overseas-Chinese Banking (OCBC). Group net after-tax profit totalled S$54.4m (U.S.$25.1m), an increase of 48.4 per cent on corresponding 1980 returns. Bank net after tax profits increased 45.4 per cent to S$36.5m.

An unchanged 5 cents a share dividend is declared.

This result is in line with recent interim announcements by the other Singapore "big four" banks.

The government-controlled Development Bank of Singapore (DBS) produced first half profits of S$46.3m, more than double returns for the first half of 1980.

United Overseas Bank (UOB) returned a profit of S$105.5m for a first-half gain of 65 per cent, increased its interim dividend from 6 to 9 cents a share, and predicted "significantly higher" group profits for the whole of 1981.

Overseas Union Bank, the smallest of the big four, lifted first half profits 64.5 per cent to S$35.3m, which compares with S$32.7m returned for the whole of 1980.

For the whole of 1980, OCBC's net rose 50 per cent to S$94.3m, DBS profit gained 44 per cent to S$69.6m and UOB produced a 76 per cent rise to S$92.3m.

Japanese cut back record dollar debentures issues

BY RICHARD C. HANSON IN TOKYO

JAPANESE UNDERWRITERS have cut back by about 40 per cent the planned $1bn issues of dollar convertible debentures by Japanese companies in Europe in September.

The move was apparently made in view of the possible effect on the market of having $1bn coming forward in one month. The Ministry of Finance is believed to have advised the underwriters, informally, to space out the issues.

The authorities appear to have been concerned not only with the volume of issues, but also allowed for the possibility of recent jumps, of 30-40 per cent, in the share prices of some of the companies involved being reversed.

Originally, there were 18 issues planned for September with more slipping over into October, bringing the total in line to a record 25 issuers. The September line-up has been cut back to 11 or 12, representing about $580m in value.

The underwriters, however, still face a bunching of issuers the following month. In October, the companies which had intended to issue in September will be scheduled, to the tune of some $450m. In addition, there are a number of newcomers, which in total would like to raise $500m.

The September plans for $520m represents, still, the heaviest concentration of convertible bonds ever made by Japanese companies.

Companies have been attracted to the market by favourable coupons being offered in Europe as Japanese share prices remain buoyant. But underwriters say that resistance to an overloading of the market in September had been felt in Europe.

● The so-called impact loans, foreign currency loans raised in Japan, rose sharply last month, to $5.49bn, from $4.3bn in June, the Finance Ministry said. The net increase in July was about $1bn, compared with June's $455m. Outstanding such loans at the end of July were $14.7bn, against $13.3bn at the end of June.

Bandar Raya profits show sharp advance

By Wong Sulong in Kuala Lumpur

BANDAR RAYA, which has emerged as Malaysia's biggest property developer with major acquisitions in the past year, has reported a sharp rise in earnings.

For the six months ended June, group pre-tax profit was 9.8m ringgit (US$4.1m) on turnover of 11.6m ringgit ($4.9m) compared with profit of 2.6m ringgit on turnover of 12m ringgit in the same period of 1980. Net profits were up from 1.96m ringgit to 5.45m ringgit.

The group has also announced a five-for-four scrip issue, capitalising on 145m ringgit.

Most of the group's profits came from its housing activities in Kuala Lumpur, but it expects property development in other parts of Malaysia to contribute to earnings in the second half.

Bandar Raya owns 90 per cent of the Hong Kong-based Intercontinental Housing Development (purchased early this year for 200m ringgit) which owns 50 per cent of the Subang Jaya township project outside Kuala Lumpur.

The group is not paying an interim dividend, but hopes to pay a final of 5 per cent on the enlarged capital.

MAN boosts turnover by 14%

BY KEVIN DONE IN FRANKFURT

MASCHINENFABRIK Augsburg-Nürnberg (MAN), the West German mechanical engineering and commercial vehicles group, boosted its turnover by 14 per cent in the latest financial year to DM 8.9bn ($3.57bn).

The company's profits, however, were hit by a number of low-price contracts, high interest rates and restructuring costs in some of its manufacturing operations.

In a preliminary report on the year to June 30 the company says it is too early to make forecasts about the dividend and it gave no details about profits.

The company booked new orders totalling DM 9.8bn over the 12 months, an increase of 19 per cent, with strong demand in the power engineering, process plant and commercial vehicles sectors.

At the end of June MAN had work in hand worth DM 9.4bn, 10 per cent more than 12 months ago. Some 60 per cent of orders came from overseas.

Despite the growing weakness of the domestic commercial vehicles market, MAN increased the total volume of its truck deliveries to home and foreign markets by 16 per cent in the weight classes of 6 tonnes and above.

Of total sales of nearly 24,000 units, some 3,000 came from the series of 6 to 9 tonne trucks which MAN has developed jointly with Volkswagen.

For trucks above 9 tonnes MAN increased its share of the domestic market by 1 per cent to more than 25 per cent in the past year.

The main boost to truck sales came from very strong demand from foreign markets with the emphasis moving last year from European to Middle East markets. Exports of trucks of 6 tonnes and above jumped by 55 per cent to 12,400 units.

MAN's power engineering activities are still suffering from the low level of domestic power station ordering and workers at some of its mechanical engineering plants are operating on short-time because of low order levels.

Seardel slows in second half

BY JIM JONES IN JOHANNESBURG

SEARDEL, the Cape Town-based textiles, clothing and electronics group, increased pre-tax profit by 65.2 per cent to R14.44m ($15.23m) in the year to June 30 from R8.74m in 1980. Turnover rose by 58.5 per cent, from R115.1m to R182.5m.

The directors of the group said at the halfway stage that they were budgeting for an increase in turnover and profit in the second half of the year, but this was not achieved. Second-half turnover was R87.4m against R95.2m in the first half while second-half pre-tax profit was R6.16m against R8.27m in the first six months.

South Africa's consumer spending boom continued during the first six months of 1981, but is now coming under pressure from higher interest rates and cost of credit facilities.

At the start of the last financial year Seardel acquired a 75 per cent interest in Sharp Electronics South Africa and this contributed to turnover and profit for the first time. The company acquired the entire capital of clothing manufacturer Dubin with effect from June 30, 1981 and results of this company are not included in figures for the year just ended. Dubin's turnover in 1980 was R67.3m and its pre-tax profit R5.2m.

A total dividend of 36 cents a share has been declared from earnings of 215 cents a share. For 1980-81, against a dividend total of 24 cents a share and earnings of 150 cents a share.

ENI buys out Liquigas in Brazil

BY RUPERT CORNWELL IN ROME

ENI, the Italian state energy agency, has paid more than $100m to take over the Brazilian operations of Liquigas, the chemical group created by Sig Raffaele Ursini, which went bankrupt three years ago.

The deal not only secures for ENI the important and profitable holdings in the Latin American country of Liquigas—around 20 per cent of Brazil's bottled gas market and significant agricultural and livestock interests—but could also smooth the way for agreement on outstanding points at issue in ENI's scheduled absorption of Liquichimica, the operating arm in Italy of Sig Ursini's erstwhile empire.

ENI is due to take over Liquichimica, along with another collapsed chemical group, SIR (Societa Italiana Resine), as part of the Government's grand design of creating two chemical groupings in Italy. One would be publicly owned and clustered around ENI, while the other would be under Montedison, now in the process of being returned entirely to private ownership.

Liquigas's Brazilian operations are run by a holding company, Liquipar. This in turn has two main operating arms: Liquigas do Brasil, in charge of the bottled gas activities, and the agricultural division under Liquifarm do Brasil Agropecuaria. This latter has extensive estates in the Mato Grosso area, earmarked for sugar cane and edible oils and protein products. The combined turnover of Liquigas in Brazil runs into several hundred million dollars, although ENI gave no details last night.

The Italian company is now conducting extensive studies to see to what extent Liquigas in Brazil can be integrated into its own operations. Any decision to sell off parts (or all) of the new acquisition will depend on the outcome of these studies.

Promet wins contracts for over $170m

By Our Kuala Lumpur Correspondent

PROMET, the Malaysian-Singapore engineering and marine fabrication group, has secured contracts for oil rigs and dredging equipment worth over US$ 170m.

Replying to a query from the Kuala Lumpur Stock Exchange, the company said it had recently signed an agreement with Petronas, the Malaysian state-owned oil company for $42m. In addition, agreement has been reached with a major American drilling company to build two rectangular, twin-hulled, semi-submersible offshore rigs for $60m each. An option for a third rig was also granted.

Promet's 80 per cent subsidiary, Harbour Engineers of Sharjah has won a dredging contract for $9m in Sharjah in the United Arab Emirates.

The company expects to earn between $40m and $50m from the contracts.

U.S. acquisition for Danish bank

BY HILARY BARNES IN COPENHAGEN

AKTIVBANKEN, THE Jutland provincial bank, is to acquire the National Bank of Long Beach of the U.S. for $9m.

If the deal is approved by the Danish and American authorities the bank will become the first Nordic-owned bank in California. The National Bank of Long Beach has assets of $36.5m. Aktivbanken, which is bidding $20 per share for the Californian bank, has assets of DKr 5.1bn ($660m). Its net profit last year totalled DKr 75m.

Aktivbanken said that it was time there was a Nordic bank in the fast growing Californian market to serve the needs of Nordic companies operating in the area.

● ISS, the Danish cleaning and security systems group, reports first half pre-tax earnings up from DKr 17.8m to DKr 23.5m. Sales increased by 11 per cent to DKr 1.83bn.

The group said that on the basis of the first half performance it expects earnings for the year to show a substantial improvement on last years DKr 53m pre-tax.

● Sor-Norge Aluminium (Soral), the Norwegian subsidiary of Alusuisse, reports a marked fall in turnover and profit in the first half of 1981, reflecting the downturn in world demands for primary aluminium. Operating profits were NKr 30m, compared with NKr 55m, while turnover was 17 per cent down at NKr 238.7m.

First Turkish merchant bank launched

BY METIN MUNIR IN ANKARA

ONE OF Turkey's largest industrial groups, Cukurova Holding, has acquired the Istanbul-based International Bank for Industry and Commerce (Interbank) and launched it as the country's first merchant bank.

Interbank has 10 branches, a paid-up capital of Turkish Lira 500m (about $5m) and net worth of Lira 633m. Its managing director is Mr Erol Aksoy, formerly with Smith Barney of the U.S. and the Koc Group and Garanti Bankasi in Turkey.

The bank intends to offer international banking services to selected local and foreign companies and finance their export and import transactions. It will also offer project finance to exporting industries.

These activities will allow Interbank to compete directly with foreign banks which are beginning to open branches in Turkey as the Government's new "open door" policy to foreign capital gets under way. Citibank, one of Turkey's biggest creditors, has already opened a branch in Istanbul. American Express, the Bank of Credit and Commerce International, and Bank Mellat of Iran are also to open branches this year.

"Interbank will be a counter-attack against these branches," said Mr Aksoy. "It will be a Turkish-speaking, Turkish capital, Turkish personnel bank offering top-quality international services."

Mr Aksoy hoped to induce large American and European banks without branches in Turkey to co-operate with Interbank which had recently obtained credit limits of $45m for oil import letters of confirmation and export pre-financing. The credit limits had been arranged with a number of foreign banks.

To fulfil its ambitious and, for Turkey, novel plans, Interbank is negotiating a contract with the London branch of Bank of America to streamline and computerise its operations. The bank's capital will be doubled early next year, and over the next two years it will open 20 branches in Turkish export centres.

Interbank also plans the purchase of a small, Paris-based French bank and expects to acquire a small bank in the U.S., according to Mr Akso.

In Turkey most of the private banks are in the hands of large industrial groups. There is some advantage in such a relationship since it allows banks to open substantial lines of credit to companies within the fold of their parent group. A small number of regional banks have recently been acquired by large Turkish groups and launched as national banks.

Cukurova seems to be a leader in this field. Apart from Interbank, its latest acquisition, it controls two of Turkey's largest banks, Yapi Kredi and Pamuk.

Cukurova's decision to launch Interbank as a merchant bank comes at a time of unusual liveliness on the Turkish banking scene, stemming from last July when the government gave banks freedom in fixing their interest rates. This led to an intensification of competition for deposits and sparked of a race among banks to improve their services.

A second large private group which is planning to enter merchant banking is Transturk. Meban, the largest stockbroker and underwriter in the country, a Transturk affiliate, has applied to the Ministry of Finance to open a new bank in partnership with Credit Commercial de France.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	18.8.81	11.8.81	AVERAGE YIELD	18.8.81	11.8.81
DM Bonds	87.14	87.43	DM Bonds	10.516	10.449
HFL Bonds & Notes	81.31	81.73	HFL Bonds & Notes	11.417	11.325
U.S. $ Strt. Bonds	82.55	82.36	U.S.$ Strt. Bonds	14.142	14.030
Can. Dollar Bonds	80.23	80.77	Can. Dollar Bonds	14.573	14.445

1918 "Taisho Marine" 1981

Message from President Akio Hirata

During the year under review the Japanese economy remained under strain, marked by rising oil prices. Despite the favourable trend in exports and private capital investments, domestic demand, centred mainly on individual consumption, was sluggish and business as a whole slowed down.

In this environment, we managed to achieve the business results shown below by positively promoting our sales and methods of management, helped by the reputation that we have established during the period of more than 60 years since our founding. On 19th December, 1980, we increased our paid-up capital to ¥24,500 million by the public offering in Europe in the form of EDRs. We take this opportunity to express our wholehearted thanks to our stockholders who have, by their unstinting support, made possible these accomplishments.

It will become increasingly necessary for the Japanese economy to steer a careful course in an international environment disturbed by growing political uncertainties and deepening energy problems. We believe, however, that the Japanese economy will overcome these obstacles and show steady development. In the meantime, non-life insurance may be expected to play an increasingly significant social role in stabilizing the people's livelihood and supporting the smooth development of industrial activities.

In this situation, we shall endeavour to expand our business with a more precise grasp of our customers' needs. To this end, we shall actively promote various measures for the development of new services and the strengthening and expansion of our sales and service network. We shall make ever-greater efforts for efficiency in management and business growth.

In the field of overseas business, we are working to provide the services sought in various parts of the world and to expand our business network in answer to the demands of our clients.

We would like to take this opportunity to ask our stockholders for their continued kind support and cooperation.

Business in General

In the fiscal year ended 31st March, 1981, exports and private investments in plant and equipment grew steadily in spite of the effects of rising oil prices. Domestic demand, however, is mainly centred on individual consumption and remained inert so that business in general stayed stagnant.

In this economic environment, we did our best to expand our non-life insurance business, improve the quality of our products, establish new branches and offices, and strengthen our sales and service network to fit regional needs. At the same time, we worked towards reducing our operating costs and improving management efficiency. Through these efforts, our business results for the term under review were as follows:

The total net premiums written were US$1,183,716 thousand, a 6.6% increase over the previous year. Total assets were US$3,851,749 thousand, an increase of US$469,522 thousand. The net income for the year under review was US$90,564 thousand.

Hull:

With relation to Hull Insurance, there were signs of an increase in new ship construction which reflected the efforts of the shipbuilding industry to overcome the recession. However, our premium income on a foreign currency basis decreased due to the Yen's appreciation. In the face of such severe circumstances, we continued directing our efforts towards strengthening our business foundation and, as a result, we were able to increase our net premiums written by 3.4% over the previous year. However, the loss ratio increased over the previous year.

Cargo and Transit:

In respect of Cargo and Transit Insurance, export cargo premiums increased steadily, but import cargo premiums were stagnant due to the sluggish domestic demand and the high Yen exchange rate. As a result of our efforts to obtain new contracts and to renew old ones, both our cargo and transit premiums were favourable. Our net premiums written increased by 12.4% over the previous year. The loss ratio also was greatly improved over the previous year.

Fire and Allied Lines:

The situation for Fire Insurance became more difficult due to a drop-off in new housing construction. However, our efforts to develop new customer demand and to carry on more positive promotional activities relating to Long-term Comprehensive Insurance led to a slight increase in net premiums written compared to those of the previous year. The loss ratio has also improved.

Automobile:

Although Automobile Insurance was affected by the slowdown in new car sales, we were able to carry on positive business operations by selling a new type of Automobile Insurance and developing new customers. This resulted in a 7.6% increase in net premiums written and a slight improvement in the loss ratio over the previous year.

Compulsory Automobile Liability:

In view of the public nature and social implications of Compulsory Automobile Liability Insurance, we made great efforts to expand our business network in this direction but, due to the slowdown in new car registrations, the net premiums written remained at the same level as that for the previous year.

Other:

Regarding other lines of insurance, we expanded our sales efforts for Family Traffic Accident Insurance with Refund and worked to open up a new demand for Workmen's Compensation Insurance and Liability Insurance. The result was that net premiums written increased by 12.0% over the previous year and the loss ratio improved.

Overseas Business:

Our overseas activities were marked by an expansion of our business network. A wholly-owned subsidiary, Hong Kong and Orient General Insurance Co., Ltd., was established in Hong Kong, and liaison offices were set up in Panama and Jeddah. In Greece, our subsidiary, Taisho Marine and Fire Insurance Company (U.K.) Ltd., started direct underwriting.

Investments:

Supported by high interest rates, a steady demand from industry for funds and a favourable increase in our available funds, we strove hard towards a flexible deployment of resources to meet the ever-changing domestic and overseas financial situation. This resulted in an investment income, net of investment expenses, of US$106,365 thousand.

☆ BALANCE SHEET (as of 31st March, 1981) ☆

Assets (Dollars in thousands)

	1981	1980
Investments	$2,903,379	2,525,118
Cash and cash items	148,991	116,796
Net premiums receivable and agents' balances	149,953	152,133
Property and equipment, net of depreciation	224,512	215,483
Deferred policy acquisition costs	173,156	152,545
Other assets	251,758	220,152
Total	$3,851,749	3,382,227

Liabilities and Stockholders' Equity (Dollars in thousands)

	1981	1980
Losses and claims	$380,165	343,839
Unearned premiums	656,934	593,943
Investment deposits by policyholders	356,910	293,754
Accrued income taxes	755,280	662,043
Other liabilities	307,312	279,402
Stockholders' equity	1,395,147	1,209,246
Total	$3,851,749	3,382,227

TAISHO MARINE AND FIRE INSURANCE COMPANY, LIMITED

TOKYO, JAPAN

The annual report will be available at Hambros Bank and our London Liaison Office

CURRENCIES, MONEY and GOLD

$ & £ steady

Dollar showed little change on balance against major currencies, but rose quite sharply at times after a generally weak start to European trading. There were no new features, although Euro-dollar rates were slightly easier. News that U.S. aircraft shot down two attacking Libyan fighters gave the dollar a temporary lift, but this had no lasting effect. The Opec meeting in Geneva continued to overhang the market, with ministers adjourning yesterday's meeting without agreement on oil prices.

Sterling was generally firm, and recorded a further small rise against the dollar.

European currencies tended to be unsettled ahead of the weekend on fears of possible devaluations and realignments within the European Monetary System.

DOLLAR — trade-weighted (Bank of England) fell to 112.2 from 112.3. It touched a peak of DM 2.51 against the D-mark, but finished little changed at DM 2.4960, against DM 2.4940. The U.S. currency rose to FFr 5.99 in terms of the French franc, but closed at FFr 5.9475, compared with FFr 5.9325. It eased to SwFr 2.17 from SwFr 2.1725 against the Swiss franc, and improved to Y230.25 from Y229 against the yen.

STERLING — trade-weighted index (Bank of England) rose to 91.3 from 91.1 after opening at 91.3 and rising to 91.5 at noon. The pound opened at around $1.84 and touched a high point of $1.8440-1.8450. After lunch sterling fell to a low of $1.8210-1.8220, with very wide dealing spreads quoted at one time. It closed at $1.8310-1.8330, a rise of 30 points on the day.

D-MARK — The most consistently strong member of the European Monetary System, despite a softer tone in recent weeks. It fell sharply against the dollar, approaching a five-year low, before a wave of dollar sales improved the situation, although the picture is likely to change again just as abruptly given the high level of U.S. interest rates — The D-mark weakened against most currencies at the Frankfurt fixing, including the dollar and sterling. The Bundesbank sold $26.45m when the dollar was fixed at DM 2.4900, compared with DM 2.4706 on Tuesday. In the afternoon the U.S. currency was slightly firmer at DM 2.4970, after rising to DM 2.5065 earlier in the day on news of the incident between U.S. and Libyan aircraft over the Mediterranean. Earlier still the D-mark was helped by news that the German authorities were draining funds from the money market to tighten interest rates. Sterling rose to DM 4.5750 from DM 4.5700 at the fixing, and rose above DM 4.58 in the afternoon.

BELGIAN FRANC—One of the weakest members of the EMS, but under less pressure as speculation of a realignment of EMS currencies has faded. Central bank support for the franc has been heavy recently, but the situation has been helped by the easier trend of the dollar—The Belgian franc lost ground to the dollar, but improved against most currencies at the Brussels fixing. The dollar rose to BFr 40.75 from BFr 40.40, but eased to BFr 40.60 in the afternoon. On the other hand the Belgian currency showed a firmer trend against its EMS partners. The Belgian National Bank spent the equivalent of nearly BFr 20bn to support the franc last week, reflecting rumours of a realignment of EMS currencies. This was the largest support operation since the last week of March.

THE POUND SPOT AND FORWARD

Aug 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8210-1.8450	1.8310-1.8330	0.62-0.72c dis	−4.38	2.07-2.17dis	[illegible]
Canada	2.2080-2.2330	2.2160-2.2180	1.50-1.80c dis	−8.38	4.00-4.20dis	[illegible]
Nethlnd.	5.04-5.10	5.07-5.08	¼c pm-¼ dis	—	¼-¼ pm	[illegible]
Belgium	73.90-74.70	74.20-74.30	65-75c dis	−11.31	135-145 dis	[illegible]
Denmark	14.28-14.39	14.35½-14.38½	5¾-7ore dis	−5.32	14½-16½ dis	[illegible]
Ireland	1.2470-1.2580	1.2515-1.2530	0.22-0.38p dis	−2.92	0.83-1.03dis	[illegible]
W. Ger.	4.54-4.58	4.57-4.58	¼-¼pf pm	1.31	1⅞-1½ pm	[illegible]
Portugal	121.00-123.00	121.85-121.75	35-120c dis	−1.84	160-355 dis	[illegible]
Spain	182.50-184.00	183.30-183.50	65-95c dis	−5.23	230-275 dis	[illegible]
Italy	2,260-2,287	2,279-2,281	43-45lire dis	−23.16	116-118dis	[illegible]
Norway	11.23-11.35	11.29½-11.30½	1½-½ore pm	1.19	1⅞-1½ pm	[illegible]
France	10.81-10.90	10.88-10.89	20-21c dis	−22.60	35-37 dis	[illegible]
Sweden	9.62-9.71	9.69-9.70	1½-2½ore dis	−2.47	½-1½ dis	[illegible]
Japan	416-427	421½-422½	2.50-2.15y pm	6.61	7.05-6.65 pm	[illegible]
Austria	31.55-32.15	32.10-32.15	8½-3½gro pm	2.24	18½-8½ pm	[illegible]
Switz.	3.95-4.00	3.97-3.98	2-1½c pm	6.28	5½-4½ pm	[illegible]

Belgian rate is for convertible francs. Financial franc 80.50-81.00. Six-month forward dollar 3.95-4.05c dis. 12-month 6.35-6.55c dis.

THE DOLLAR SPOT AND FORWARD

Aug 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8210-1.8450	1.8310-1.8330	0.62-0.72c dis	−4.38	2.07-2.17dis	[illegible]
Ireland†	1.4500-1.4740	1.4590-1.4630	0.12-0.22c dis	−1.39	0.50-0.65dis	[illegible]
Canada	1.2113-1.2143	1.2113-1.2116	0.26-0.31c dis	−2.81	0.68-0.73dis	[illegible]
Nethlnd.	2.7530-2.7800	2.7750-2.7800	1.03-0.93c pm	4.23	3.48-3.38 pm	[illegible]
Belgium	40.40-40.61	40.52-40.54	25-35c dis	−8.87	36-46 dis	[illegible]
Denmark	7.7950-7.8800	7.8500-7.8600	¼-1ore dis	−1.34	0.60-0.10 pm	[illegible]
W. Ger.	2.4780-2.5100	2.4965-2.4985	1.18-1.13pf pm	5.58	3.86-3.74 pm	[illegible]
Portugal	66.25-66.60	66.40-66.60	par-40c dis	−3.61	15-115 dis	[illegible]
Spain	99.60-100.20	99.80-99.85	par-15c dis	−0.90	10-30 dis	[illegible]
Italy	1,235½-1,246½	1,245-1,246½	20-23lire dis	−20.73	50-55 dis	[illegible]
Norway	6.1545-6.1810	6.1700-6.1800	3-2½ore pm	5.34	7¾-7¼ pm	[illegible]
France	5.9000-5.9800	5.9450-5.9500	9-11c dis	−20.18	13-15 dis	[illegible]
Sweden	5.2620-5.3020	5.2875-5.2975	1.50-1.30ore pm	3.17	5.50-5.30 pm	[illegible]
Japan	228.50-232.25	230.20-230.30	2.20-2.05y pm	11.07	6.40-6.25 pm	[illegible]
Austria	17.41-17.53½	17.49½-17.51½	10-8½gro pm	6.34	27½-23½ pm	[illegible]
Switz.	2.1600-2.1850	2.1685-2.1705	1.77-1.67c pm	9.51	5.23-5.13 pm	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Aug. 19	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.5	−32.0
U.S. dollar	112.2	+5.0
Canadian dollar	88.2	−17.3
Austrian schilling	110.2	+21.9
Belgian franc	105.1	+9.2
Danish kroner	84.5	−12.1
Deutsche mark	115.1	+3.76
Swiss franc	132.7	+80.6
Guilder	107.1	−13.7
French franc	81.5	−12.3
Lira	56.8	−56.0
Yen	142.5	+36.2

Based on trade-weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 19	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.512714	0.551[illegible]
U.S. $	14	1.13199	1.019[illegible]
Canadian $	21.07	1.37684	1.241[illegible]
Austria Sch.	6¾	19.6174	17.56[illegible]
Belgian F.	13	45.7324	41.1[illegible]
Danish K.	11	8.79275	7.93[illegible]
D mark	7½	2.79688	2.520[illegible]
Guilder	9	3.10561	2.79[illegible]
French Fr.	9½	6.68516	6.003[illegible]
Lira	19	1395.74	1257.[illegible]
Yen	6¼	260.558	233.[illegible]
Norwgn. Kr.	9	unavail.	6.265[illegible]
Spanish Pts.	8	112.574	101.4[illegible]
Swedish Kr.	12	5.95823	5.34[illegible]
Swiss Fr.	5	2.43400	2.19[illegible]
Greek Dr'ch.	20½	—	51.59[illegible]

OTHER CURRENCIES

Aug. 19	£	$		Note Rates
Argentina Peso	9365-9375†	5122-5142†	Austria	31.90-32.20
Australia Dollar	1.5940-1.5980	0.8730-0.8735	Belgium	80.70-81.50
Brazil Cruzeiro	183.35-184.35	98.62-99.11	Denmark	14.31-14.48
Finland Markka	8.484-8.497	4.6178-4.6228	France	10.90-11.15
Greek Drachma	109.450-112.891	61.00-61.20	Germany	4.55-4.60
Hong Kong Dollar	10.88-10.89	5.9675-5.9685	Italy	2240-2300
Iran Rial	150.20*	81.40*	Japan	424-428
Kuwait Dinar (KD)	0.518-0.524	0.2834-0.2837	Netherlands	5.05½-5.10½
Luxembourg Fr.	74.20-74.30	40.52-40.54	Norway	11.27-11.32
Malaysia Dollar	4.3375-4.3475	2.3750-2.3800	Portugal	119¼-125
New Zealand Dlr.	2.2105-2.2155	1.2095-1.2105	Spain	181-190½
Saudi Arab. Riyal	6.26-6.32	3.4185-3.4210	Sweden	9.65-9.75
Singapore Dollar	3.9625-3.9725	2.1700-2.1750	Switzerland	3.95-3.99
Sth. African Rand	1.7330-1.7350	0.9460-0.9470	United States	1.82-1.84
U.A.E. Dirham	6.72-6.78	3.6715-3.6730	Yugoslavia	75½-81

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,814-13,834 and for the dollar 7,550-7,600. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.0621	+0.70	+0.77	±1.5381
Danish Krone	7.91917	7.93050	+0.14	+0.21	±1.6413
German D-Mark	2.54502	2.52130	−0.33	−0.58	±1.1368
French Franc	5.99528	6.00828	+0.22	+0.29	±1.3638
Dutch Guilder	2.81318	2.77355	−0.48	−0.41	±1.5158
Irish Punt	0.665145	0.653351	+0.61	+0.68	±1.6658
Italian Lira	1262.92	1255.10	−0.62	−0.62	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Aug. 19	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.832	4.575	422.0	10.885	3.975	5.075	2280.	2.217	74.25
U.S. Dollar	0.546	1.	2.497	230.3	5.942	2.170	2.770	1245.	1.210	40.53
Deutschemark	0.219	0.400	1.	92.24	2.379	0.869	1.109	498.4	0.485	16.23
Japanese Yen 1,000	2.370	4.341	10.84	1000.	25.79	9.419	12.03	5403.	5.254	175.9
French Franc 10	0.919	1.683	4.203	387.7	10.	3.652	4.662	2095.	2.037	68.21
Swiss Franc	0.252	0.461	1.151	106.2	2.738	1.	1.277	573.6	0.558	18.68
Dutch Guilder	0.197	0.361	0.901	83.15	2.145	0.783	1.	449.3	0.437	14.63
Italian Lira 1,000	0.439	0.804	2.007	185.1	4.774	1.743	2.226	1000.	0.972	32.57
Canadian Dollar	0.451	0.826	2.063	190.3	4.910	1.793	2.289	1028.	1.	33.49
Belgian Franc 100	1.347	2.467	6.162	568.4	14.66	5.354	6.835	3071.	2.986	100

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 19)

3 months U.S. dollars		6 months U.S. dollars	
bid 18 1/2	offer 18 5/8	bid 18 11/16	offer 18 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Aug. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12⅞-13⅛	18⅛-18⅜	21-23	15¼-15½	1¾-2¼	11¾-11⅞	30-45	70-100	14-17	6⅝-6⅞
7 days' notice	13¼-13½	18¼-18½	21-23	15-15¼	1⅛-2	11⅞-12	30-45	41-48	36-44	6⅝-6⅞
Month	13⅝-13¾	17⅝-17⅞	21⅛-22⅛	13⅛-13⅜	8¼-8⅝	12⅛-12¼	30-34	36½-38½	25-28½	6⅞-7⅛
Three months	14⅛-14¼	18⅜-18⅝	21-21⅜	13⅛-13⅜	8⅝-8⅞	12 1/16-12 3/16	25-28	34-35½	22½-24	7⅜-7⅝
Six months	14 1/16-14 3/16	18⅝-18⅞	20⅜-20¾	15⅛-15¼	9⅜-9½	12⅜-12½	22½-24	32¼-33¼	20¾-21¾	7⅜-7⅝
One Year	14 1/16-14¼	17¾-18	19⅜-19¾	12 11/16-12 13/16	8⅞-9	12 7/16-12 9/16	20-22	29¼-30¼	18½-19½	7⅞-8¼

SDR linked deposits: one-month 16 5/16-16 11/16 per cent; three months 16⅝-16⅞ per cent; six months 16-16⅜ per cent; one-year 15 7/16-15 13/16 per cent.

ECU linked deposits: one-month 16 11/16-17 3/16 per cent; three months 17 11/16-18 1/16 per cent; six months 17 5/16-17 7/16 per cent; one-year 16 5/16-16⅞ per cent.

Asian $ (closing rates in Singapore): one-month 17⅝-17⅞ per cent; three months 18 7/16-18 11/16 per cent; six months 18⅝-18⅞ per cent; one-year 17 13/16-18 1/16 per cent. Long-term Eurodollar two years 16⅞-17 per cent; three years 16½-16¾ per cent; four years 16⅜-16⅝ per cent; five years 16¼-16½ per cent; nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.35-18.45 per cent; three months 18.40-18.50 per cent; six months 18.40-18.50 per cent; one-year 17.45-17.65 per cent.

MONEY MARKETS

A late shortage

London clearing banks base lending rates 12 per cent

Overnight money was in very short supply in late London interbank trading yesterday. On the last bank make-up day before the abolition of the reserve asset ratio system, money was generally in ample supply, but some banks obviously left themselves short of funds and were forced to pay up to 40 per cent for closing balances.

This apart, trading was generally quiet, although the uncertainty in the money market about the future level of interest rates was reflected in the lack of any yield curve for periods from three months onwards in the various sectors. From today the market will operate under the new rules recently set down by the authorities, and Bank of England Minimum Lending Rate has been suspended. This had little impact on yesterday's trading however, and with money in adequate supply the Bank of England did not intervene.

A small surplus of funds was forecast and this pushed the interbank overnight rate down to 12¼-12¾ per cent from an opening of 13¼-13¾ per cent, before the sharp late rise. Discount houses found some funds at 10 per cent, reflecting the pressures of published figure day, but money was generally taken within a range of 11½-12½ per cent.

The only major factor against the market was the unwinding of a moderate repurchase agreement, but this was roughly balanced by moderate surplus balances brought forward by the banks.

In Amsterdam tenders amounting to Fl 2.276bn were met by the Dutch central bank for the special 14-day advance announced on Tuesday. Allocations were made at a level of 100 per cent for the first Fl 100m and of 70 per cent for any advance exceeding that amount. The facility commands an interest rate of 13.375 per cent, and is a further instrument to add money market liquidity. It comes on top of the first and second quota loan facilities totalling Fl 4.8bn, also announced by the authorities on Tuesday.

The Dutch Finance Ministry has invited tenders for an issue of 12½ per cent State bonds for redemption in 1987-91. Subscriptions close on August 25, with payment due on October 1.

In Frankfurt the German Bundesbank was reported to have entered the money market to drain liquidity with offers of several billion D-marks of repurchase agreements involving securities. The central bank confirmed the operation but gave no indication of the scale of intervention. The move followed a downward trend in interest rate on call money, which was around 11.70-11.80 per cent, compared with the special Lombard rate of 12 per cent.

GOLD

Firm tone

Gold eased slightly from its opening level in the London bullion market yesterday, but showed a rise of $13½ on the day, to close at $432-434. The metal opened at $433-435, and was fixed at $433.50 in the morning, and $431.50 in the afternoon. Reports of a shortage of physical supplies kept gold firm, following the sharp rise overnight as a result of shortcovering on U.S. futures markets.

In Paris the 12½ kilo gold bar was fixed at FFr 92,150 per kilo ($486.86 per ounce) in the morning, compared with FFr 90,500 ($478.06) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM34,745 per kilo ($434.98 per ounce), against DM33,465 ($422.02) previously, and finished at $431-433, compared with $419-421.

	Aug. 19		Aug. 18	
Gold Bullion (fine ounce)				
Close	$432-434	(£236-237)	$418½-420½	(£228½-229½)
Opening	$433-435	(£235¾-236½)	$417-419	(£226¾-227¾)
Morning fixing	$433.50	(£235.814)	$422.50	(£228.133)
Afternoon fixing	$431.50	(£235.881)	$420	(£229.446)
Gold Coins				
Krugerrand	$447½-448½	(£244½-245)	$431½-432½	(£235½-236)
1/2 Krugerrand	$234-235	(£127¾-128¼)	$222-223	(£121-121½)
1/4 Krugerrand	$119-120	(£65-65½)	$113-114	(£61¾-62¼)
1/10 Krugerrand	$49-50	(£26¾-27¼)	$46½-47¼	(£25¼-25¾)
Mapleleaf	$447½-448½	(£244½-245)	$430½-432½	(£235-236)
New Sovereigns	$108-109	(£59-59½)	$104-104¾	(£56¾-57¼)
King Sovereigns	$119-121	(£65-66)	$118-120	(£65-66)
Victoria Sovs.	$119-121	(£65-66)	$118-120	(£65-66)
French 20s	$125-130	(£68¼-71)	$120-126	(£65½-68¾)
50 pesos Mexico	$540-543	(£295-296½)	$521-525	(£284¼-286½)
100 Cor. Austria	$419-423	(£228¾-231)	$404-408	(£220½-222½)
$20 Eagles	$562-567	(£307-309¾)	$559-564	(£305-307¾)

LONDON MONEY RATES

Aug. 19 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12-40	12½-13	—	—	12⅛-12¾	12-12¼	—	—	—
2 days notice	—	—	13¼-13½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13-13⅜	13½	—	13½	13⅝-13⅞	12-12¼	—	—	—
One month	13 7/16-13½	13 7/16-13 11/16	13¾	14⅛-14⅛	13¾	14	12¾	13⅞	12 13/16-12⅞	14¼
Two months	14 1/16-13⅞	13⅞-14 1/16	—	14⅛-14	14	—	13-13¼	13⅞-13⅝	13⅝-13 9/16	14
Three months	14⅛-14	14 1/16-14¼	14⅛	14⅛-14	14¼	14⅛	13¼	13⅛	13⅞	14
Six months	14⅛-14	14⅛-14¼	14⅛	13⅝-13⅞	14¼	—	—	—	13⅝-13⅞	14¼
Nine months	14¼-14	14⅛-14¼	—	14⅛-14	14¼	—	—	—	—	—
One year	14⅛-14	14⅛-14¼	14⅜	14¼-14	14¼	—	—	—	—	—
Two years	—	—	14⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice others seven days' fixed. Long-term local authority mortgage rates nominally three years 14¾ per cent; four years 14¾ per cent; five years 14¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞-13¾ per cent; four months trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 12 13/16 per cent; two months 13⅛-13⅜ per cent; three months 13¾ per cent. Approximate selling rate for one-month bank bills 12 13/16-12⅞ per cent; two months 13⅛-13⅜ per cent; three months 13⅞ per cent; one-month trade bills 14 per cent; two months 13¾ per cent and three months 13¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from August 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 13.5007 per cent.

MONEY RATES

NEW YORK	
Prime rate	20½
Fed funds	15¼-15¾
Treasury bills (13-week)	15.53
Treasury bills (26-week)	15.48
GERMANY	
Special Lombard	12.00
Overnight rate	11.90
One month	12.70
Three months	12.80
Six months	13.00
FRANCE	
Intervention rate	17.125
Overnight rate	17.50
One month	17.375
Three months	17.625
Six months	17.125
JAPAN	
Discount rate	6.25
Call (unconditional)	7.25
Bill discount (three-month)	7.53125

هكذا من الاصل

TECHNOLOGY

EDITED BY ALAN CANE

Kenneth Gooding explains why Honda turned to the UK for painting systems

Birmingham firm sprays U.S. Hondas

CONTRARY TO popular opinion the Japanese do not lead the world in automotive technology. However, when a British company wins a large contract from a Japanese car group it still makes news.

Haden Drysys, based in Birmingham, won a £14m contract for a paint plant at Honda's planned car assembly facility in the U.S. How was it done?

Sheer internationalism played a major part. Haden Drysys was able to convince the managements of the Honda companies in Japan and the U.S. that it had the right technology for the job.

Haden's origins are with the U.S. Carrier Corporation but the European operations became independent some years ago.

Today, about 40 per cent of Haden's work is in the U.S. where it has a subsidiary called Schweitzer, based in Maddison Heights, near Detroit in Michigan, and which claims to be the leading supplier of paint plant systems in the States.

But all research and development is based firmly in the UK, at Acton.

Competition

While Schweitzer worked on Honda's U.S. management, in Japan Haden's licensee, Taikasha, was able to open doors at Honda's head office.

The contract was won in spite of competition from Trinity, Toyota's paint plant subsidiary.

Until last month, Haden still operated under its old name, Carrier Engineering, part of the worldwide but UK-based £200m Haden group.

Haden has neither factories nor manufacturing plants. At the initial stages of any contract the plant design is tailored to suit the customer's particular requirements and constructed from components, custom-made to Haden designs.

The company has 300 UK-based engineers of its own but also draws on the expertise of sister companies in the Haden group for the design, supply and installation of services to its plants and for certain elements in them.

Two particular patented innovations are usually incorporated in Haden paint finishing plants: the Hydrospin spray booth and the Hydropac paint sludge removal system.

General Motors, which awarded Haden its biggest contract so far, was particularly attracted by the Hydropac system, launched four years ago.

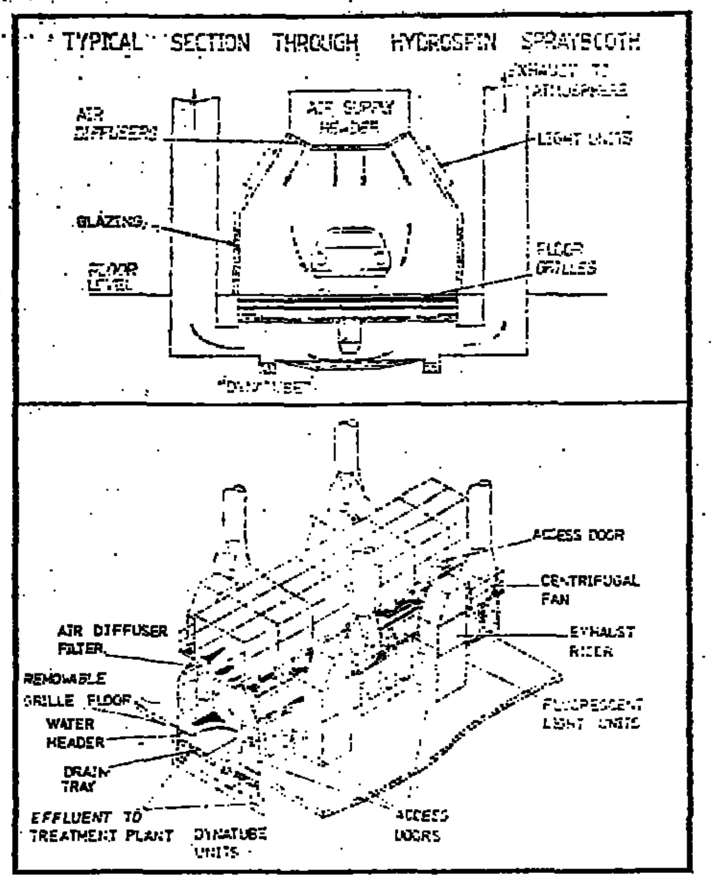
This system saves having to take the water used in car, or other spray booths, away to huge reservoirs—a common sight in old plants where cars are assembled in large numbers.

The reservoirs are used to allow the paint to settle out (either up or down) and then be skimmed off the top of the water or bottom of the reservoir.

Hydropac gets away from that with small, compact units which use chemicals to encourage a raft of paint to emerge on the water. This can actually be rolled up (it is 70 per cent solid material) and put into bags for disposal.

Haden claims this saves energy because less water is used in the spraying process and the capital cost is lower because there are no big pits to be dug.

Some car companies have found uses for the paint sludge—as a sound-deadening material, for example, or as fuel.



Section through the Hydrospin spraybooth showing car body in position, top; external view of the entire system, below.

While Hydropac deals with contaminated water, Hydrospin—available for the past 12 years—now cleans up contaminated air.

Hydrospin booths, by careful internal design and controlled air flow, are economical in their use of space and "wash" the air clean of overspray very efficiently.

So efficiently, in fact, that the booth walls can be fitted with large areas of glass, improving the lighting and the operators' working conditions. And that is important be they human or, as increasingly is the case, robots.

"You can walk into a spray booth while it is in operation and come out without a speck of paint on you," claims Mr George Haynes, Haden's managing director. "With that kind of improvement in the working environment you get better quality control."

That is something the car companies are very concerned about given that the quality of the paint work is being used more and more as a showroom selling point.

Haden's contracts range from £1m to £20m each and last year it was awarded paint plant contracts world-wide worth £64m in all.

The company's ability to handle the largest paint plant contracts the automotive industry can hand out was established by the General Motors' order—worth £20m for two car finishing plants at the Opel assembly facilities in Russelsheim, West Germany, and Antwerp, Belgium.

These are now in the handover stage.

Breakthrough

The deal was something of a breakthrough for Haden because although it has worked for every one of the world's automotive groups, it has found the going harder in Germany than anywhere else.

Haden's major international competitor, Otto Dürr, is a German company and that had much to do with it.

Opel was concerned not to cut out its traditional paint plant suppliers with the latest contract and Haden was able to use both Dürr and Werner and Pfleider in constructing the plants.

And George Haynes says the future trend will be for Haden to take total project responsibility while subcontracting parts of the plant to other major paint plant manufacturers.

Fast footwork gives Case office boost

COMPUTER AND SYSTEMS ENGINEERING (Case) of Rickmansworth seems unable to put a foot wrong just now.

Its figures for 1980, released recently, show a healthy turnover in excess of £12m with pretax profits nudging the £1m mark.

And now it has acquired the TRW distributor operation for NBI text processing systems in the UK, greatly strengthening its potential in the "office of the future" market.

Of course, the "office of the future" is the fashionable buzz phrase, but comparatively few of the companies with ambitions in this market can offer total packages from word processing through data communications to electronic desks and filing cabinets.

With the NBI ("Nothing But Initials"—honest!) acquisition, Case seems able to offer most of what the market currently demands.

Its own present success is based on data communications equipment such as modems from the U.S. company Paradyne.

It offers its own well regarded message switching systems (automated telex) and multiplexers/concentrators (devices which squeeze the last ounce of efficiency out of telephone lines thus making data-communications cost effective).

And it also offers a way of connecting all these devices into a network, Casenet, based on the Ungermann Bass development of Xerox's Ethernet, one of the chief contenders to become the local area networking standard. And, as with any network, failures will occur, it offers network analysis equipment from Paradyne.

Case ambitions for the electronic office have been clear for some time and it has been searching for a suitable word processor for some time. But the NBI acquisition was, at least in part, serendipity, arising out of the disposal of the NBI division of Ventek, now a wholly owned subsidiary of Datapoint, the U.S. information systems manufacturer.

Mr Malcolm Riep, managing director of the newly named Case Office Systems said the NBI word processors had several features which made them suitable for integration into Case communications systems.

They included the ability to control dual track daisy wheel printers (the NBI systems use either Qume or Diablo printers) making possible Greek symbols and mathematical formula. They were able to communicate with other word processors at the same time as other jobs were being carried out on the screen and they worked in document mode—all paging was carried out automatically.

More on 092 37 76699.

ALAN CANE

Transfer moulding using liquid

"THE BRITISH are great inventors," said the American General Manager of Emerson and Cuming (UK). He is returning to Boston with mixed feelings after an eight year stint in England.

The British contingent were suitably modest after beating their U.S. colleagues to produce a viable transfer moulding system using liquid instead of thermoset powders.

But it was all carried out on a friendly basis—say Botham versus Lillee—with the UK designed and developed Liquid Transfer Moulding System (LTM) now available throughout Europe and the U.S.

The system, the company claims, could revolutionise component encapsulation. Compared with thermoset powders, LTM operates at lower pressures, lower temperatures, less wastage and lower cost.

With thermoset powders an average pressure of about 1,000 psi is normally required with considerable temperatures. LTM with the materials developed can be moulded at temperatures as low as 85 degrees C and moulding pressures between 50 and 100 psi.

The company claims that LTM reduces material wastage because of the smaller cross-section of the runners; energy costs are reduced because of the lower heat loss, capital costs are lower because neither pre-forming nor pre-heating machines are required; and, LTM materials, generally two part systems, have a longer shelf life than thermoset powders.

Emerson and Cuming is at Colville Road, Acton, London (01-992 6692).

MAX COMMANDER

Printing system for Chinese characters

CHINESE printing technologists have developed a system employing computers and lasers to edit and set type—in Chinese characters—for newspapers, magazines and books, the Xinhua news agency reports, in Peking.

The system, which can hold 6,000 characters in store, cannot yet be used for producing large-format newspapers such as the *People's Daily* or for reproducing photographs. If current tests are successful, however, it is expected to be in regular use next July.

Compared with imported equipment for photo-setting Chinese characters the new system is claimed to be capable of higher levels of multiple information storage, faster character reproduction and faster type-size multiplication and reduction.

It is also claimed to make standard Chinese characters large or small, long or squat and automatically to divide text into pages or lay it out in complex forms. The system has been developed by technologists at Peking University and six other organisations.

Portable pH meter from Gallenkamp

A CLEAR LCD powered by rechargeable batteries is a special feature of a new portable pH meter introduced by Gallenkamp. The low current of the LCD is claimed to provide longer operating periods between recharges than equivalent Leds. With a plastic body for protection against physical shock and to permit the light stirring of test liquids, the pH meter is slim enough to take readings in a standard test tube.

The refillable electrode is a slim combination model with a built-in temperature compensation sensor. The filling solution, syringe, tweezers and spare liquid junctions are supplied in a carrying case. The standard electrode is fitted to the body of the instrument by a precision-threaded connector, and an accessory electrode with a 600mm connection lead is also available. Gallenkamp is on 01-247 3211.

Low cost fibre optic link in kit form

THE RANGE of optoelectric equipment produced by Honeywell Components Group has been extended by a low-cost fibre optic link supplied in kit form.

The kit, manufactured by Honeywell's Optoelectrics Division in the U.S., is claimed to be compatible with conventional computer technology and is supplied with the Honeywell Sweet Spot LED, driver circuit, Schmitt monolithic trigger receiver, five metres of fibre and all connectors.

Typical applications for the new kit are to be found in intra-cabinet clock distribution, card-to-card data transmission, and high voltage insulation. Honeywell claims that high-precision manufacturing techniques enable the 400-micrometre micro-lens of the fast-response LED to produce enough radiance at the fibre interface to drive a link up to 15 metres in length.

Maintaining the geometry of circular saw blades

A PRACTICAL problem caused by the high stock removal rates of which modern circular metal saws are capable is that the precise geometry of the teeth on the saw blade is critical. Small discrepancies can ruin the blade's performance and possibly cause an expensive fracture.

To solve this problem the Addison Tool Company has introduced a precision gauge designed to measure not only the tooth rake angles but also the critical and often overlooked tooth height difference characteristic of many high-performance blades.

The Addison ZWG 3 gauge has two operating modes designed to meet both these inspection requirements. Tooth angles and tooth height differences can be measured to a high degree of accuracy, Addison claims.

Addison is on 01-993 1661.

COMPANY NOTICE

NOTICE

to the holders of Petrofina warrants attached to the 4.5% 1973/1988 Mafina bonds.

Following the increase in capital, through incorporation of reserves, agreed upon at the extraordinary general meeting held on June 25, 1981, the exercise price of the warrants has to be adjusted in order to reflect the increase in the number of Petrofina shares.

As announced in the agenda of the above-mentioned meeting, the adjustment was made by applying the formula indicated in the Prospectus relating to the 4.5% 1973/1988 Mafina bonds with warrants attached.

The application of this formula causes a reduction of the warrants exercise price which from July 1, 1981, is B.Fr. 8,521.

CREDIT LYONNAIS

LOAN OF U.S.$80,000,000.- FLOATING RATES 1977-1983

Bondholders are hereby informed that the applicable rate for the tenth period of interest has been fixed at 19%.

Coupon No. 10 will be payable as from February 16, 1982, at a price of U.S.$98.69 which is a 19% interest worked out on a basis of 187/360th covering the period from August 13, 1981 to February 15, 1982.

The Fiscal Agent
CREDIT LYONNAIS—LUXEMBOURG

LEUMI INTERNATIONAL INVESTMENTS N.V.

U.S.$20 MILLION GUARANTEED FLOATING RATE NOTES "A" 1987 EXTENDIBLE AT THE HOLDERS OPTION TO 1990

The interest rate applicable to the above Notes in respect of the six month period commencing 20th August, 1981 has been fixed at 19 1/16% per annum.

The interest amounting to U.S.$99.14 per U.S.$1,000 principal amount of the Notes will be paid on Monday, 22nd February, 1982 against presentation of coupon No. 3.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

PUBLIC NOTICES

H.M. LAND REGISTRY

THE LANCHESTER BUILDING, MONTGOMERY STREET, SPARKBROOK, BIRMINGHAM

Application to register the freehold title to the above property has been made by The Cronite Group Ltd.

Any objections should be addressed to Gloucester District Land Registry, Bruton Way, Gloucester, GL1 1DQ, before the 3rd September, 1981, quoting WM70565.

H.M. LAND REGISTRY

WESTWOOD MANOR FARM, NETTLEBED, SOUTH OXFORD, OXON

Application to register the freehold title to the above property has been made by Hempgate Ltd.

Any objections should be addressed to Gloucester District Land Registry, Bruton Way, Gloucester, GL1 1DQ, before the 3rd September, 1981, quoting ON50545.

SOLIHULL METROPOLITAN BOROUGH—£2.5m Bills due on 18th November, 1981, were offered on 19th August, 1981, and were allocated at a rate of 13 1/2%. Applications totalled £18.5m. The total of Bills outstanding is £5.5m.

BIRMINGHAM COUNCIL BILLS—£12.0m 91-day Bills issued 20th August, 1981, mature 19th November, 1981. Applications totalled £33.5m. Minimum accepted price £96.61. Average rate of discount 13.56%. Total Bills outstanding £33.75m.

PERSONAL

TRAVEL

PLANT AND MACHINERY

Business and Investment Opportunities

WORLD STOCK MARKETS

Wall St mixed at mid session

FOLLOWING the recent sharp setback. Wall Street was no worse than mixed at mid-session yesterday after moderate activity.

Investors were said to be mainly holding the sidelines as they pondered over the implications of the latest U.S. economic news, the downing of two Libyan jets by U.S. fighter planes and the OPEC oil price meeting in Geneva.

The Dow Jones Industrial Average, which had lost about 20 points in the past three business days to set a new 1981 closing low on Tuesday, managed to pick up 1.14 to 925.51 at 1 pm yesterday. The NYSE All Common Index was a modest 6 cents lower at $75.49, while advances and declines were about evenly matched. There was a reduction in trading volume to 28.85m shares from Tuesday's 1 pm level of 34.31m.

On the economic front, the U.S. Government reported a downward revision in the second-quarter Gross National Product and an 11.3 per cent fall in second-quarter corporate profits.

Energy issues were among the weakest performers, as many investors appeared to be having second thoughts about merger prospects for individual companies following Delhi International's announcement on Tuesday that it had received no new offers for the company despite requests for them.

Delhi, which trades on the American Stock Exchange, dipped ¼ to $77¼ after having plunged more than $37 on Tuesday.

On the New York Stock Exchange, Cities Service fell 3⅜ to $59⅞, Marathon Oil 2¼ to $65¼, Kerr-McGee 1⅜ to $79¼, Pennzoil 2¼ to $53 and Coastal 2⅛ to $51⅞.

Elsewhere, however, Sears Roebuck, which reported higher second-quarter earnings, edged up ⅛ to $17⅛. May Department Stores and Federated Department Stores, which also came in with improved profits for the second quarter, were unchanged to fractionally higher.

THE AMERICAN SE Market Value Index was 2.04 lower at 365.90 at 1 pm after volume of 3.62m shares (3.50m).

Closing prices for North America were not available for this edition.

Canada

Shares tended to lose further groud in active trading yesterday morning. The Toronto Composite Index shed 13.3 more to 2,262.9 at noon, while Oil and Gas declined 46.4 to 4,879.6 and Metals and Minerals 11.4 to 2,236.1. Golds, however, gained 31.8 more to 4,305.7.

Among the actives, Dome Petroleum lost ⅜ to C$19⅞, Hudson's Bay Oil and Gas ¾ to C$46⅞ and Hiram Walker Resources 1⅛ to C$30½.

Tokyo

An initially easier trend in the wake of the further overnight decline on Wall Street was partially reversed later. Buyers returned for large capital issues, high-priced Light Electricals and some other Blue Chips, which sustained a sharp setback on Tuesday on news of tighter margin trading restrictions.

The Nikkei-Dow Jones Average, after receding about 70 points the previous day from Monday's record peak, recovered 12.14 to 7,961.52. The Tokyo SE index recouped 3.35 to 602.47, while advances held a narrow lead over declines at the close on the First Market by 293 to 281. Turnover was a moderate 340m shares (400m).

Vehicles, Heavy Electric Machines, Steels, Precision Instruments, Light Electricals and Pharmaceuticals scored gains, but some Textiles, Oils and leading Constructions declined.

Matsushita Electric improved Y40 to Y1,810, Fuji Photo Film Y20 to Y1,970, Takeda Chemical Y22 to Y928, Nippin Steel Y6 to Y224, Kobe Steel Y7 to Y238, Nissan Motor Y20 to Y1,180, Hitachi Y20 to Y885, Victor Japan Y170 to Y4,040, Pioneer Electronic Y90 to Y4,140 and Canon Y30 to Y1,810, although Sony shed Y90 more to Y4,610.

Germany

Keen foreign buying interest pushed shares higher initially, but gains were later trimmed by profit-taking following news of the U.S.-Libyan fighter planes attack over the Mediterranean. The Commerzbank index was up 4.1 at 737.2, but this is based on quotations taken before the market close.

Bayerische Hypobank gained DM 3.60 at DM 184 after announcing Tuesday that its earnings on interest rose in the first six months of 1981.

Department Stores recorded substantial rises, Kaufhof adding DM 6, Karstadt DM 5.50 and Horten DM 3.80.

Trading in the Domestic Bond market remained light, with prices of Public Authority issues once again narrowly mixed.

Paris

Bourse prices mostly continued to decline yesterday. Operators cited a very thin market and the new tension created by the U.S.-Libyan incident in the Mediterranean. However, bargain hunting towards the end of the session managed to erase some losses.

Australia

The 1981 Federal Budget was relegated to the background as traders took their lead from a sharp upturn in international gold prices and news that the tender for U.S.-based Cooper Basin oil partner Delhi had attracted no offers.

The Oil and Gas sector retreated sharply, with the index falling 30.4 to 820.8, but support for Metal Miners held the All Ordinaries index virtually unchanged at 656.4. The Metals and Minerals index gained 4.2 to 558.8. Industrials were narrowly mixed.

Among Oil and Gas issues, Santos weakened 70 cents to A$6.50, Vamgas 40 cents to A$13.50, Bridge Oil 14 cents to A$6.46, Crusader 60 cents to A$7.00 and Woodside 2 cents to A$1.79.

Overall reaction from the broking community was that the Budget was undramatic and responsible. BHP added 15 cents at A$13.45 in response to Budget news that iron and steel producers will be given special treatment on depreciation.

Central Norseman Gold put on 50 cents to A$7.30, MIM 10 cents to A$4.50 and Pancontinental 15 cents to A$3.40.

Singapore

The market suffered a further sharp setback over a broad front on heavy liquidations and short selling. News that Malaysian Government officials were being ordered to disclose their assets was said to have further depressed sentiment.

The Singapore Straits Times Industrial index, which had fallen 75 points in the past five trading days, ended 23.16 weaker at 704.81, compared with the all-time high of 973.26 attained on June 26.

Hong Kong

Reflecting growing investor confidence in the Hong Kong dollar and receding fears of a rise in local Prime Rate, shares mainly regained further ground in moderate activity.

The Hang Seng index improved 22.17 to 1,728.71 for a two-day gain of almost 40 points. Trading volume in the short Wednesday session amounted to HK$368.51m on the four stock exchanges, against the previous day's total of HK$441.61m.

Johannesburg

Further boosted by the sharp rally in the Bullion price overnight, Gold shares improved afresh in fairly active trading. Durban Deep stood out with an advance of R4 to R24, while Buffels gained R1.25 to R45.00.

Other sectors generally followed Golds, with Gencor, in Mining Financials, up 75 cents at R25.00. De Beers, however, receded 22 cents to R8.90 on sharply lower interim results.

Indices

NEW YORK —DOW JONES

	Aug. 18	Aug. 17	Aug. 14	Aug. 13	Aug. 12	Aug. 11	1981 High	1981 Low	Since Cmpil'tn High	Since Cmpil'tn Low
•Industr'ls	924.37	926.75	936.35	944.65	945.21	943.80	1024.05 (27/4)	924.37 (18/8)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	59.46	59.76	59.70	58.62	59.54	59.44	65.78 (15/1)	58.37 (7/3)	—	—
Transport.	399.51	405.75	405.67	409.74	407.21	404.42	447.38 (16/4)	379.16 (20/2)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	116.06	115.66	114.67	114.64	114.41	114.13	117.81 (5/1)	103.99 (6/5)	165.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000†	47,270	40,840	42,590	42,460	55,650	52,600	—	—	—	—

•Day's high 932.74. low 916.38.

Ind. div. yield %	Aug. 14	Aug. 7	July 31	Year ago (approx)
	5.90	5.85	5.74	5.55

STANDARD AND POORS

	Aug. 18	Aug. 17	Aug. 14	Aug. 13	Aug. 12	Aug. 11	1981 High	1981 Low	SinceCmpil't'n High	SinceCmpil't'n Low
Indust'ls	146.44	147.52	149.05	150.29	150.15	150.74	157.02 (6/1)	145.20 (22/7)	160.96 (28/11/80)	5.52 (30/6/32)
Composite	130.11	131.22	132.49	133.51	133.40	133.85	138.12 (6/1)	126.58 (20/2)	140.52 (28/11/80)	4.40 (1/6/32)

	Aug. 12	Aug. 5	July 29	Year ago (approx)
Ind. div. yield %	4.75	4.76	4.88	4.75
Ind. P/E Ratio	9.54	9.52	9.24	8.52
Long Gov. Bond yield	13.31	13.91	13.70	10.87

N.Y.S.E. ALL COMMON

Aug. 18	Aug. 17	Aug. 14	Aug. 13	1981 High	1981 Low
75.55	76.28	77.00	77.55	79.14 (6/1)	72.45 (20/2)

Rises and Falls	Aug. 18	Aug. 17	Aug. 14
Issues Traded	1,890	1,897	1,875
Rises	370	378	553
Falls	1,166	1,161	902
Unchanged	354	358	420
New Highs	7	28	33
New Lows	72	41	32

MONTREAL

	Aug. 18	Aug. 17	Aug. 14	Aug. 13	1981 High	1981 Low
Industrials	396.73	402.54	406.36	409.49	409.66 (27/5)	356.26 (20/2)
Combined	365.81	370.16	371.96	375.28	375.29 (15/8)	339.54 (23.2)
TORONTO Composite	2276.2	2296.5	2,310.5	2334.5	2573.8 (10.4)	2151.4 (20/2)

	Aug. 19	Aug. 18	Aug. 17	Aug. 14	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	656.4	656.5	657.3	655.9	737.5 (5/4)	625.0 (5/8)
Metal & Minrls (1/1/80)	558.8	554.6	555.6	550.7	735.2 (7/1)	508.4 (5/6)
AUSTRIA						
Credit Aktien (2/1/62)	57.56	57.64	57.76	57.52	66.45 (5/1)	57.48 (19/6)
BELGIUM						
Belgian SE (31/12/63)	74.72	74.95	(c)	74.4	96.15 (17/2)	69.53 (16/6)
DENMARK						
Copenhagen SE (1/1/73)	118.26	118.80	118.77	116.6	118.80 (18/8)	85.28 (2/1)
FRANCE						
CAC General (29/12/61)	91.5	92.7	93.8	93.3	112.6 (17/3)	77.3 (15/6)
Ind Tendance (31/12/80)	95.6	96.7	97.9	97.5	106.8 (16/5)	79.2 (12/6)
GERMANY						
FAZ-Aktien (31/12/58)	241.99	240.41	239.19	240.2	243.47 (5/7)	216.88 (9/2)
Commerzbank (Dec 1953)	737.2	733.1	730.3	733.2	748.0 (5/7)	666.4 (16/2)
HOLLAND						
ANP-CBS General (1970)	96.1	95.5	96.2	96.3	96.5 (13/8)	85.7 (2/1)
ANP-CBS Indust (1970)	72.9	72.9	73.2	73.6	76.4 (22/5)	62.5 (2/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1728.71	1706.54	1689.27	1694.75	1810.20 (17/7)	1295.44 (11/3)
ITALY						
Banca Comm Ital (1972)	232.25	226.18	219.76	214.62	292.03 (6/8)	166.44 (24/7)
Japan						
Dow Average (16/5/49)	7961.52	7949.38	8013.14	7976.4	8019.14 (17/8)	6956.52 (13/3)
Tokyo New SE (4/1/68)	602.47	599.12	603.32	602.54	605.92 (17/8)	495.78 (5/1)
NORWAY						
Oslow SE (1/1/72)	140.98	140.64	145.61	145.0	146.72 (6/8)	110.34 (5/6)
SINGAPORE						
Straits Times (1966)	704.81	727.97	736.24	767.93	973.26 (26/6)	659.51 (2/1)
SOUTH AFRICA						
Gold (1958)	(u)	618.1	601.7	600.2	797.6 (7/1)	475.8 (3/7)
Industrial (1958)	(u)	651.0	644.0	640.6	653.5 (1/5)	537.2 (3/2)
SPAIN						
Madrid SE (30/12/80)	142.20	141.44	(c)	140.88	142.20 (19/8)	100.46 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	617.58	607.66	609.69	624.4	660.61 (10/8)	404.17 (20/1)
SWITZERLAND						
SwissBankCpn. (31/12/58)	286.4	285.0	286.7	288.4	304.2 (2/4)	279.8 (27/6)
WORLD						
Capital Intl. (1/1/70)	—	155.8	155.5	154.4	162.8 (6/1)	149.0 (25/7)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Gulf Oil	1,267,900	79⅝	−1⅛
Texaco	742,300	35⅝	−¼
Ramada Inns	576,400	6⅝	+⅛
Amer. Cyan.	493,200	28½	−⅛
Cities Service	491,600	62⅝	−2½
Am. Tel. & Tel.	486,900	57⅝	−⅛
IBM	462,300	56⅞	−¼
Gen. Tel. & El.	455,200	29⅞xd	−1⅛
Com. Edison	438,400	20⅝	−⅛
Exxon	435,400	34⅝	—

هكذا من الأصل

COMMODITIES AND AGRICULTURE

Frost bites at Brazil's sugar sales

RIO DE JANEIRO — Brazil's Sugar and Alcohol Institute (IAA) is not accepting any fresh contracts for sugar exports from the 1982-83 crop for the moment because of last month's frost damage, Sr Hugo de Almeida, the institute's president, said here yesterday.

All existing contracts for the 1981-82 and 1982-83 crop years will be respected, he added.

The IAA has estimated frost damage to the 1981-82 crop at 500,000 to 550,000 tonnes and to the 1982-83 crop at 1-1.2m tonnes.

In Brussels, the EEC Commission authorised the export of 13,725 tonnesof old crop white sugar at a maximum export rebate of 16.275 ECUs per 100 kilos and 42,854 tonnes of new crop whites at a 19.068 ECus rebate, commission sources said. No raws sales were authorised.

London traders said the sales were in line with expectations, but the tonnages awarded differed slightly from trade forecasts. They had little effect on sugar futures prices.

● Average sugar beet root weight at the beginning of August in the Soviet Ukraine's Poltavaskaya region was 27 grammes up on last year at 221 grammes, the Soviet newspaper Selskaya Zhizn (Rural Life) said.

Sugar content had reached 13 per cent, 3 per cent more than last year, in many parts. In some districts it was as high as 14 per cent, it said.

Reuter

Tin price surge to new highs

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES surged to 17-month highs on the London Metal Exchange yesterday following renewed buying by influential dealers who are controlling the market at present. Cash tin closed £135.5 up at £8,020.5 a tonne, and the three months quotation was £117.5 higher at £8,122.5 after reaching £8,190 at one stage. The rise was encouraged by a sharp increase in the Malaysian market overnight where the Straits tin price climbed by 36 cents to a nin-month high of 33.81 ringgits a kilo.

Traders in London noted there was still very little consumer demand for tin and the dealers involved in pushing up prices were having to make heavy, and costly, purchases to keep the market rising. However, they are believed to hold the bulk of LME warehouse stocks, which have risen steeply in recent weeks, and could force the market still higher if they took delivery of forward purchases.

This in turn might prove a powerful influence at the next meeting of the International Tin Council in October, when producing countries are expected to press once again for a rise in the price range under the International Tin Agreement.

Indonesian Oil and Mining Minister, Mr Subroto, interviewed by AP-Dow Jones in Geneva, where he is attending the Opec meeting, confirmed that the surge in tin prices resulted from purchases limited to a couple of big buyers. He did not rule out the possibility that producing countries, unhappy with the previously depressed market, may have participated in the buying to drive prices up. But he denied that Indonesia was involved.

Zinc prices on the Metal Exchange also moved higher yesterday, following a report that Tara Mines now expects a protracted shutdown at its Navan zinc/lead plant. Talks between the company and union representatives recently aimed at settling the stoppage that started on July 6 had broken down and no new meeting was likely for at least another two weeks. Cash zinc closed £5.5 up at £516.5 a tonne.

Cash lead gained £9 to £429 a tonne, after having moved to higher levels which attracted profit-taking sales. The early sharp rise was viewed mainly as a technical reaction to the steep losses suffered on Tuesday.

Copper was initially boosted by the rise in gold and news of the U.S. shooting down Libyan planes. But values then eased back to close marginally down on the day. In the U.S. Asarco cut its domestic selling price by 0.5 cents to 88 cents a lb.

Free market platinum and silver prices both moved up strongly in the wake of gold.

Acli denies rumours of big losses

By Our Commodities Editor

LAWRENCE ISRAEL, senior vice-president of Acli International, yesterday, firmly denied rumours that the group was in financial trouble. Mr Israel, speaking from New York, said the group's bankers were behind them, they had adequate capital and were conducting business as usual. He said that some of the supposed estimates about losses suffered by the group in the silver, coffee, cocoa and sugar markets were "ridiculous."

Mr Israel said that although Acli was a private company that did not publish figures on profits and losses, they were trying hard to be co-operative in order to defuse rumours in the commodity markets. He felt the rumours had probably been triggered off by the group's decision, with mutual agreement, to sever relationships with one of its bankers.

Mr Israel noted that many commodity broking houses had suffered from the depressed conditions in the markets during the past year. News agency reports quoted market rumours of Acli suffering total losses of up to $85m in the past year.

The Acli group comprises several separate divisions trading both in physical commodities and futures. The Israel Woodhouse group and Acli in London are fully owned subsidiaries of the parent group in the U.S.

Chinese call to lift tea output

PEKING — Tea production in China amounted to 300,000 metric tons last year, but that is far from enough for the 1bn population, the People's Daily commented yesterday.

The Communist Party newspaper said tea production last year was an average of 300 grammes (10.6 oz) per person, and after export supplies and tea farmers' own needs were subtracted, only 140 grammes (4.9 oz) per person reach the Chinese domestic market.

"The gap between production and need is great, and the market supply is tight," wrote Mr Shen Qizhu, of the Chinese Tea Academy in an article. Yet, Mr Shen noted, conditions for boosting production of tea leaves — an important product of South China's mountain districts — were excellent.

Production in 1980 was about triple the 1952 level and tea was grown on more than 667,000 hectares (1.65m acres) Mr Shen stated. He said efforts were needed to boost the yield of tea leaves per acre.

AP-DJ

MARKET PROFILE: MEAT

Waiting for better times

BY RICHARD MOONEY

THE RECESSION has bitten deeply into the profits of most consumer-based industries and producers of red meat, one of the most expensive items in the average shopping basket, have felt its full force.

Sluggish demand, rising costs, lower manufacturing profitability because of smaller throughput, and competition from cheaper poultry meat have hit the beef and veal, mutton and lamb and pork industries hard in recent years.

But there are signs of happier times to come. Economic forecasters expect the run-down in industrial growth to bottom out towards the end of this year and for business conditions in the meat industry to begin to improve in 1982.

In its latest international market review the UK Meat and Livestock Commission (MLC) confirmed that the recent decline in world production of all red meats had continued in the first half of this year and was not likely to turn upwards until next year.

Normally, this would be expected to encourage a firm market but the recession has put paid to that prospect. The commission's world beef price index, fixed at 100 in the first quarter of 1979, rose to 122 in the final quarter of that year but slumped to 102 in the second quarter of 1981.

Beef production in the major producing countries is forecast to total 34.1m tonnes this year, down 1 per cent from 1980, with a drought-induced 5 per cent fall in Australia being partly compensated by an estimated 0.6 per cent rise in the U.S.

BEEF AND VEAL PRODUCTION IN SELECTED COUNTRIES ('000 tonnes)

	1979	1980	1981*	1982*
U.S.	9,925	9,999	10,060	10,300
Canada	946	975	1,000	1,020
Australia	1,768	1,535	1,350	1,370
New Zealand	512	496	495	485
Argentina	3,092	2,865	2,900	2,800
Brazil	2,100	2,200	2,275	2,400
USSR	7,029	6,750	6,700	6,900
Eastern Europe	2,070	2,030	1,900	1,950
Japan	402	418	425	415
EEC-10	6,886	7,155	6,991	6,965

* Forecast

(due mainly to increased slaughterings of dairy cows and non-fed steers and heifers) and modest rises in Canada, Argentina, Brazil and Japan. Substantial falls will be registered this year in the EEC and Eastern Europe.

With the Australian drought over and some further increase expected in the U.S.—assuming feed prices are not too high—1982 is forecast to see a 1.5 per cent rise in beef output by major producers.

A similar pattern is apparent in the sheep sector. MLC expects 1981 production of major producers to be nearly 1 per cent down from 1980. But in 1982, a 0.7 per cent increase is projected. Once again the biggest 1981 fall is in Australia (estimated at 12.7 per cent) which more than outweighs an estimated 10.7 per cent rise in New Zealand output.

Mutton and lamb prices are expected by the MLC to remain firm for the rest of this year.

Pigmeat production trends have followed the same pattern, and in this sector the normal laws of supply and demand do not seem to have been suspended. While production in the main producing countries is projected down 2.4 per cent in 1981, prices have risen 27 per cent in the U.S., 21 per cent in Japan and 13 per cent in the EEC.

As the cheapest of the red meats, pork may have benefited from reduced consumer spending power in the same way as poultry meat.

The MLC report forecasts 1981 pigmeat production 7 per cent lower in the U.S., 5 per cent down in Eastern Europe and 3 per cent down in Japan.

A small decline from the 1980 level is expected in Canada while in the USSR, where it fell 5 per cent last year, little recovery is anticipated.

In the longer term, the MLC expects EEC consumption to recover but the 1979 level is not forecast to be exceeded until 1985. In that year, it projects that supply will move back into deficit with production totalling 7.1m tonnes and consumption 7.15m tonnes.

Its is assumed that beef production will rise by 0.5 to 1 per cent a year in the Community between 1983 and 1985, helped by a producer switch from veal to beef production and an increase in average slaughter weights. Low income growth, small population increases and a continuing rise in beef prices relative to pig meat and poultry meat are meanwhile expected to inhibit consumption rises.

Walker refutes charge of secret French egg deal

BY OUR COMMODITIES STAFF

A SUGGESTION that he was involved in a "behind the scenes" deal to keep quiet about the illegal passing-off of French eggs as British has been angrily denied by Mr Peter Walker, the UK Agriculture Minister.

In a letter to Mr Keith Pulman, secretary of the UK Egg Producers Association, who made the suggestion in a radio interview, Mr Walker categorically denied that there was any "deal" on imported eggs.

He also challenged Mr Pulman to substantiate claims that egg packers had been tipped off when Ministry inspectors were coming.

"Otherwise Mr Uulman should withdraw this very serious accusation," Mr Walker said.

The Association is angry that no action has been taken against packers who they allege are importing cheap eggs from France, re-packing them and selling them as British. The association claims it has provided the hard evidence called for by Mr Walker after hiring a private detective to track down the culprits.

The fact that nothing had been done led Mr Pulman to suggest that there might be an Anglo-French deal.

In his letter, however, Mr Walker insisted: "We have not yet got the sort of evidence that will stand up in a court of low."

He said the association's report did not contain satisfactory evidence and none had come to light after follow-up action. "You may rest assured that we will prosecute in any case where we have satisfactory evidence," he stated. "To do so in other cases would be unjustifiable and contrary to public policy."

Sparing the bacon may spoil the pig

BY HILARY BARNES IN COPENHAGEN

CONCENTRATION by the Danish pigmeat industry on production of the ideal pig for the British bacon market may have cost the pig producers billions of kroner in lost income over the past few years. This is the conclusion of an analysis of the economics of the bacon pig by Mr Frede Andersen, an economist with the Copenhagen College of Agriculture, published in a Danish periodical.

Mr Andersen claims that the economics of producing heavier pigs are far more favourable than for the bacon pig. But the tight hold kept on producers by Ess-Food, the bacon factories export sales association, has hindered farmers in switching into the more profitable types of pig.

Ess-Food pays a premium for bacon pigs and penalises deliveries of heavier pigs, a strategy born of the priority which Ess-Food has always given to the UK market, where Danish bacon accounts for about 43 per cent of the market. But Ess-Food has recently changed its payments system and said that payments to producers are now neutral as regards weight differences.

Live weight

The disadvantages of the bacon pig include a smaller number of pigs per sow per year, averaging 13.8 in Denmark, higher fodder costs per kilogramme, and higher labour and capital input, Mr Andersen concludes.

The consequences of switching from production of the bacon pig with a slaughtered weight of 72 kg to pigs with a live weight of 90 kg or 110 kg are savings on production costs. These would increase the value of Danish pig production from Kr 3.2bn a year to between Kr 1bn and Kr 1.7bn, states Mr Andersen.

This would mean crossing the Danish Landrace pig with Hampshire and Duroc boars.

Mr Andersen said that by saving space on sows and providing more room for growing pigs, the 110 kg pig would enable farmers to produce 22 per cent more pigmeat with the same labour input as today.

An increasing number of Danish farmers have been raising heavy pigs in recent years, but they are still only a small proportion of total pig production. In September, a new private slaughterhouse is starting up in Jutland, specially for heavy pigs. They should have a more rational slaughtering method than can be used for bacon pigs.

Small rise in Soviet meat production

MOSCOW — Meat production from Soviet State and collective farms rose 0.9 per cent in the first seven months of this year compared with the same period in 1980, according to official statistics published in the economic weekly Ekonomicheskaya Gazeta.

Meat production, including poultry, totalled 8.46m tonnes. Beef production fell 0.7 per cent to 5.02m tonnes and production of sheep and goat meat was down 1 per cent to 354,000 tonnes. Pork production rose 1 per cent to 2.09m tonnes while poultry rose 10 per cent to 991,000 tonnes.

The figures show milk output continued to lag. A total 38.92m tonnes was produced, down 2 per cent on the first seven months of 1980. The average yield from each cow dropped 3 per cent to 1,378 kilograms.

Reuter

Zimbabwe maize export deal

SALISBURY — Zimbabwe will export up to 100,000 tonnes of its 1m tonne maize surplus to Kenya, Mozambique and Zambia under contracts arranged by the World Food Programme (WFP), Ziana news agency reports.

The agency said Mr Herbet Onitiri, the WFP representative, told reporters in Salisbury that his organisation would buy the maize from Zimbabwe's Grain Marketing Board and transport it by rail and ship to the three countries.

A special daily train service had been inagurated to move some of the grain from Zimbabwe to Beira.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Copper, initially, moved up to £1,040 reflecting the Libyan aircraft incident, but subsequently fell back to close at £1,010, after £1,005, owing to a poor performance on Comex. Lead touched £441 on trade buying and short-covering before closing at £429, while Zinc was finally £528, after £540, following reports that the strike at Tara is expected to continue for some time. Aluminium closed at £705.5 and Nickel at £3,322.5. Tin advanced strongly as renewed influential buying lifted three months to £8,190, prior to a close of £8,120.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	1002-3	+7.75	987-9	−4.5
3 months	1034-.5	+9.75	1019.5-20.5	−4.5
Settlem't	1003	+8	—	......
Cathodes				
Cash	1000-1	+7.25	986-7	−4.5
3 months	1026-7	+8.25	1012-3	−3.25
Settlem't	1001	+7.5	—	......
U.S. Prod	—		*80-5	......

Amalgamated Metal Trading reported that in the morning three months copper wirebars traded at £1,036, 35, 34, 35, 36, 35.5, 34, 35, 34.5, 34. Cathodes, cash £1,000. Kerb: Wirebars, three months £1,033, 32, 31. Afternoon: Wirebars, three months £1,025, 24, 24.5, 24, 23.5, 23, 24, 23, 22.5, 22, 21, 20. Cathodes, three months £1,012. Kerb: Wirebars, three months £1,019, 20, 19.5, 19, 18, 17, 16, 13, 15, 16, 15, 14, 13, 12, 11, 10, 11, 12, 05, 07, 09, 10. Turnover: 22,100 tonnes

Tin—Morning: Standard, cash £8,070, three months £8,170, 90, 75, 80, 90, 85, 75, 80, 70. Kerb: Standard, three months £8,170, 60. Afternoon: Standard, three months £8,160, 65, 55, 51, 20, 25, 30, 20. Kerb: Standard, three months £8,130, 20. Turnover: 1,335 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	8070-80	+505	8020-1	+155
3 months	8165-70	+272.5	8120-5	+117
Settlem't	8080	+505	—	......
Standard				
Cash	8070-80	+505	8020-1	+155
3 months	8165-70	+272.5	8120-5	+117
Settlem't	8080	+505	—	......
Straits E.	$33.81	+0.36	—	......
New York	—	......		

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	439.5-40	+6.25	428-30	+9
3 months	440.5-1	+8	430-1	+11
Settlem't	440	+6		......
U.S. Spot		......	*41	......

Lead—Morning: Cash £440, three months £439, 40, 41, 40, 33, 38, 37, 38, 39, 40, 41. Kerb: Three months £440.5, 40, 39.5, 39, 38. Afternoon: Three months £433, 32, 33, 32.5, 32, 31, 30, 29, 28, 29, 30, 31, 30. Kerb: Three months £426, 27, 28, 29, 28, 27, 28, 29. Turnover: 22,900 tonnes.

★

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.50-£6.30, codlings £3.00-£4.80. Large haddock £6.00-£5.60, medium £3.60-£4.30, small £2.00-£3.40. Large plaice £4.80-£5.60, medium £4.50-£5.40, best small £3.50-£4.10. Skinned dogfish (large) £5.50-£7.00 (medium) £4.00-£5.00. Lemon soles (large) £8.50 (medium) £7.50. Rockfish £3.60. Saithe £2.40-£3.30.

ZINC	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Cash	521.5-2.5	+12	516-7	+5.5
3 months	537-8	+12	532-3	+6.75
S'ment	522.5	+12		......
Primw'ts	—	—	*46.5-9.75	......

Zinc—Morning: Three months £538, 39, 38.5, 39, 40, 39, 38. Kerb: Three months £536, 35. Afternoon: Three months £534, 33, 32, 31, 30, 31, 32, 32.5, 32, 31.5. Kerb: Three months £529. Turnover: 8,250 tonnes.

Aluminm	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Spot	688-9	+4	681-2	−5
3 months	715-.5	+4.5	706-.5	−5.5

Aluminium—Morning: Three months £714, 13. Afternoon: Three months £710, 09, 8, 7, 6, 5.5, 5, 5.5, 6. Kerb: Three months £706, 05, 06. Turnover: 6,125 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
Spot	3275-85	+52.5	3275-95	+28
3 months	3330-40	+55.5	3330-5	+20

Nickel — Morning: Three months £3,330, 40, 50, 40, 45, 30. Kerb: Three months £3,320, 25. Afternoon: Three months £3,330. Turnover: 168 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 21.15p an ounce higher for spot delivery in the London bullion market yesterday, at 531p. U.S. equivalents of the fixing levels were: spot $9.7200, up 29.5c; three-month $10.1610, up 31.2c; six-month $10.6200, up 33.6c; and 12-month $11.4000, up 36.8c. The metal opened at 524½-529½p ($9.55-9.65) and closed at 520-525p ($9.50-9.60).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	531.00p	+21.1	526.0p	+18.5
3 months	549.00p	+22.9	543.5p	+18.
6 months	567.50p	+22.8	—	......
12months	601.75p	+24.5	—	......

LME — Turnover 97 (105) lots of 10,000 ozs. Morning: Three months 546, 51, 50, 49, 48, 47, 46, 45. Kerb: Three months 544. Afternoon: Three months 542, 43, 41, 42, 42.5, 43. Kerb: Three months 542.

COCOA

Continued long liquidation in thin volume in London and New York eased prices further. Actuals were again ignored reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or −	Business Done
Sept	1188-90	−16.5	1205-190
Dec	1222-23	−14.0	1237-18
March	1243-44	−11.0	1253-38
May	1250-52	−10.5	1258-48
July	1252-54	−12.5	1265-48
Sept	1262-63	−12.0	1266-58
Dec	1272-75	−6.0	1273

Sales: 2,664 (2,407) lots of 10 tonnes

ICCO Futures—Daily price for Aug 18: 102.82 (104.22); five-day average 101.49 (101.41).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: Aug 112.75, Sept 111.25, Oct 112.50 transhipment East Coast. U.S. Hard Winter, 13½ per cent: Sept 119.25 transhipment East Coast. English, fob: Aug 105, Sept 107.50 East Coast. Maize: French: Aug 125 transhipment East Coast. South African Yellow: Sept/Oct 91.50 Barley. English Feed. fob: Sept 103 quoted East Coast. Rest unquoted

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 101.40. Feed barley. Eastern 94.80, E Mids 95.00, N East 94.60, Scotland 95.90. The UK Monetary Coefficient for the week beginning Monday August 27 is expected to remain unchanged.

WHEAT Mnth	Yesterd'ys close	+ or −	BARLEY Yesterday close	+ or −
Sep	105.00	+0.35	96.15	
Nov	108.75	+0.45	101.65	−0.05
Jan	112.80	+0.50	105.65	..
Mar	116.85	+0.50	109.40	....
May	120.26	+0.25	112.90	......
July	123.90	−0.25	—	—

Business done—Wheat: Sept 105.00-104.85, Nov 108.75-108.55, Jan 112.80-112.70, March 116.70-116.55, May 120.20 one trade, July 123.90 one trade. Sales: 239 lots of 100 tonnes. Barley: Sept 98.50-98.10, Nov 102.05-101.65, Jan 106.00-105.60, March 109.75-109.40, May 113.25-113.20. Sales: 324 lots of 100 tonnes

COFFEE

Heavy trade selling proved a major influence on a lower than expected opening, reports Drexel Burnham Lambert. Good support around the lows provided fuel for a recovery and although prices remained in a narrow range a steadier tendency was established in good volume.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Sept	1026-30	−13.5	1026-10
Nov	1022-23	−15.5	1025-10
Jan	1020-22	−15.0	1025-08
March	1026-27	−10.5	1026-10
May	1030-32	−9.0	1030-20
July	1034-44	−10.5	1040
Sept	1040-70	+5.0	1050

Sales: 4,063 (3,447) lots of 5 tonnes.

ICO Indicator prices for August 18: (U.S. cents per pound). Comp. Daily 109.54 (113.25): 20-day average 112.38 (113.48).

GAS OIL FUTURES

Libyan news pushed prices higher in thin trading after an unchanged opening. The rally was short-lived and prices drifted back with little interest being shown as traders awaited the outcome of the Opec meeting, reports Premier Man

Month	Yesterdys close	+ or −	Business Done
	$ U.S. per tonne		
August	297.00	−1.75	300.00-97.00
September	303.00	−0.75	305.50-03.00
October	307.25	−0.50	310.50-07.25
November	311.00	−0.50	312.00-10.75
December	314.00	−0.50	315.50-13.75
January	316.50	+1.00	317.75-17.00
February	318.50	+1.25	319.50-19.00
March	320.75	+1.00	321.00-21.00
April	323.50	−0.25	—

Turnover: 512 (313) lots of 100 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. Oct 398, 400, 400-393; Dec 402, 403, 403; Jan 403, 405, 405; March 414, 415, 416-416; May 423, 425, 425-424; Aug 432, 435, 433; Oct 437, 440, 438-436; Dec 435, 441, 439-438; Jan 441, 442, 441-440. Sales: 53.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. Oct 497.1, 497.5-500.0-497.0, Dec 507.0, 507.5, 510.0-507.0; March 518.5, 519.0, 519.5-515.5 May 526.5, 527.0, 526.5-526.0; July 532.0, 533.0, untraded; Oct 530.0 532.0, untraded; Dec 532.0, 534.0, untraded. Sales: 112.

RUBBER

The London physical market opened steadier, with little interest at the higher levels, closing slightly easier. Lewis and Peat reported a fob Sept price for No 1 RSS in Kuala Lumpur of 255.0 (251.25) cents a kg and SMR 20 210.0 (208.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Sept	61.60-62.50	61.30-62.00	62.00
Oct	62.00-62.50	61.50-62.50	—
Oct-Dec	62.60-65.00	62.60-62.70	63.70-62.50
Jan-Mar	65.50-65.90	65.60-66.70	66.70-62.36
Apl-Jne	65.90-69.00	68.70-68.60	69.80-68.40
Jly-Sept	71.30-72.10	71.60-71.90	—
Oct-Dec	75.00-75.20	74.90-75.00	—
Jan-Mar	78.00-78.50	77.90-78.00	—
Apl-Jne	81.30-81.40	81.00-81.20	81.50

Sales: 386 (621) lots of 15 tonnes, 5 (nil) lots of 5 tonnes. Physical closing prices (buyers) were Spot 59.50p (59.25p) Sept 56.75p (same): Oct 53.75p (same).

SOYABEAN MEAL

The market opened lower on stronger sterling, reports T. G. Roddick. Prices firmed on trade buying but hedge selling pressured the market.

	Yesterdys Close	+ or −	Business Done
	£ per tonne		
August	143.00-45.0	—	—
October	155.50-56.4	−0.90	156.20-56.20
December	156.50-56.6	−0.45	156.60-56.40
February	159.60-59.8	+0.15	159.70-59.50
April	142.00-43.0	+0.25	—
June	142.00-46.0	+0.25	—
August	144.00-48.0	+0.75	—

Sales: 161 (117) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £205.00 (£205.00) a tonne cif Aug-Sept-Oct shipments. White sugar daily price £215.00 (same).

After opening unchanged the market rallied on Libyan news. However, heavy offerings developed at the highs and half the gains were lost, reports C. Czarnikow

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Oct	208.50-06.60	205.25-05.50	210.00-07.00
Jan	204.75-05.00	201.75-02.00	206.00-04.75
March	206.75-07.00	205.85-04.20	205.75-04.25
May	205.95-09.00	206.50-06.75	211.00-07.00
Aug	211.05-11.75	209.00-09.75	213.00-11.50
Oct	214.25-14.75	211.25-12.00	214.25-14.00
Jan	215.50-17.00	211.50-13.00	215.00

Sales: 4,124 lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £360.4 (same) a tonne for home trade and £317.0 (£313.0) for export

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 18: Daily price 15.27 (15.20): 15-day average 15.22 (16.05).

COTTON

LIVERPOOL — Spot and shipment sales amounted to 18 tonnes. Users were discouraged by the continued fall in average prices, which slipped below 80 cents per pound for the first time since mid-November 1973. Only very limited operations occurred in Middle Eastern growths.

POTATOES

LONDON POTATO FUTURES—Favourable crop reports from many parts of the country caused selling on all positions. A large buyer held Nov steady but Feb and April closed at the lows under heavy selling pressure, reports Coley and Harper. Closing prices: Nov 82.50 −2.00 (high 85.60, low 82.00); Feb 105.00 −5.70 (high 111.50, low 105.00); April 119.60, −7.70 (high 127.00, low 119.60). Turnover: 702 (624) lots of 40 tonnes

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 19 1981	+ or −	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt.	$1245/1275	......	$1160/210
Copper			
Cash w'bar	£988	−4.5	£903.5
3 mths	£1020	−4.5	£930.75
Cash Cathode	£986.5	−4.5	£899
3 mths	£1012.5	−3.25	£921.5
Gold troy oz.	$433	+15.5	$411
Lead Cash	£429	+9	£432.50
3 mths	£430.5	+11	£432.25
Nickel	£4067.3	......	£3,850.50
Free mkt	275/295c	......	275/295c
Platin'm tr'y oz	£260	......	£247
Freemkt	£243.35	+8.85	£220.95
Quicksilver	$425/435	......	$420/435
Silver troy oz	531.0p	+21.15	466.25p
3 mths	549.00p	+22.05	484.05p
Tin Cash	£8020.5	+135.5	£7,655
3 mths	£8122.5	+117.5	£7,864
Tungsten 22.0 lb	$145.43	−0.86	$143.
Wolfrm 22.04 lbs	$142/148	......	£148/15
Zinc Cash	£516.5	+5.5	£468
3 mths	£532.5	+6.75	£477.5
Producers	$925/1000	......	$985
Oils			
Coconut (Phil)	$560y	−5	$595
Groundnut	‡		‡
Linseed Crude	£449	−3	£452
Palm Malayan	$532.5z	+2.5	$570
Seeds			
Copra Philip.	$365	......	$370
Soyabean(U.S.)	$285.5	......	$297.30
Grains			
Barley Fut. Nov	£101.65	−0.05	£102.50
Maize	£125	......	£130
Wheat Fut. Nov	£108.75	−0.45	£108.00
No3 Hard Wint	£119.25x	......	£116.65
Other commodities			
Cocoa ship't*	£1225	−16	£1,160
Future Dec.	£1222.5	−14	£1,114.5
Coffee Ft' Nov.	£1022.5	−15.5	£1,167.5
Cotton A.Index	79.90c	−0.5	85.80c
Gas Oil Sept.	$303	−0.25	$293
Rubber (kilo)	59.5p	−0.25	59.5p
Sugar (Raw)	£208rz	+3	£219
Wooltops 64s kl.	400p kilo	......	387p kilo

‡ Unquoted z Oct. y Aug-Sept x Sept. † Per 76-lb flask. * Ghana cocoa. n Nominal.

★

HIDES—Leeds: cow hides were a little firmer, while ox were mostly unchanged. Second clears. Ox: 31-35.5 kg, 44.1p a kg (45.0p a kg). 26-30.5 kg, 52.0p a kg (52.0p a kg): 22-25.5 kg, 55.5p a kg (57.6p a kg). Light cows: 23.5 kg, 55.4p a kg (54.5p a kg)

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on August 13. GB—Cattle 85.05p per kg lw (+0.31) UK—Sheep 117.20p per kg est dcw (−1.19). GB—Pigs 67.47p per kg lw (+1.72).

SMITHFIELD—Pence per pound Beef: Scot killed sides 72.0 to 76.0. Ulster hind quarters 79.0 to 87.0, fore quarters 51.0 to 55.0. Veal: Dutch hinds and ends 114.0 to 120.0. Lamb: English small 48.0 to 55.0, medium 48.0 to 52.0. Imported frozen New Zealand PL 55.0 to 57.0, PM 54.0 to 56.0. Pork: English, under 100 lbs 32.0 to 51.0, 100-120 lbs 36.0 to 50.0, 120-160 lbs 34.0 to 53.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Navelates 48 5.30, 56 6.20, 72 6.25, 88 5.55, 112 5.00, 138 4.95, 150 4.60. Lemons—Spania: boxes 5.00-6.50, trays 25/50 2.00-2.80; Outspan: 80/195 5.50-7.00; Italian: 100/120 5.00. Grapefruit—Outspan: 27 4.20, 32 4.65, 36 5.00, 40 5.30, 48 5.00, 56 4.40, 64 4.10, 72 3.30; Argentine: all sizes 3.60-4.00. Apples—S. African: Granny Smith 6.00-7.00.

AMERICAN MARKETS

NEW YORK, August 19

PRECIOUS METALS rallied on Libyan news. Copper suffered a major setback as trade hedging and technical selling accelerated during the day. Sugar prices retreated sharply as Soviet Union reported better beet yields. Coffee prices rallied on short covering and evening up ahead of the U.S.D.A. crop damage estimate in Brazil. The grain markets, led by a strong rally in soyabeans, finished moderately higher following reports of a lower crop acreage in the USSR and much higher soya oil premiums in Brazil, reported Heinold

Copper—Aug 81.20 (82.80), Sept 81.50-81.65 (83.30), Oct 83.00, Dec 85.75-85.30, Jan 87.05, March 89.20-89.50, May 91.35, July 94.20, Sept 95.55, Dec 99.53, Jan 100.95, March 103.15, May 105.25

*Gold—Aug 435.7 (433.6), Sept 438.2 (438.3), Oct 443.0-444.0, Dec 454.0-457.0, Feb 466.5-467.5, April 480.0, June 495.0, Aug 505.2, Oct 517.6, Dec 533.0, Feb 543.7, April 557.1, June 570.9.

*Platinum—Aug 445.0 (same), Sept nil (nil), Oct 456.0-457.0, Jan 471.0-472.0, April 457.0, July 503.0, Oct 519.0. Sales: 2,410

Potatoes (round whites)—Nov 75.0-75.5 (75.0), Feb 85.0 (same), March 90.0-90.5, April 105.7-105.0. Sales 655.

¶Silver—Aug 973.2 (944.5), Sept 973.0-978.0 (950.0), Oct 990.0, Dec 1021.0-1025.0, Jan 1036.5, March 1067.0-1070.0, May 1091.0, July 1112.6, Sept 1147.3, Dec 1128.5, Jan 1202.3, March 1230.0, May 1257.7. Handy and Harman bullion spot: 964.00 (930.00).

Sugar—No. 11: Sept 14.93-15.00 (15.43), Oct 14.80-14.95 (15.54), Jan 14.93, March 15.30, May 15.43, July 15.71, Sept 15.90, Oct 16.05. Sales, 10,800

Tin—670.00-682.00 (666.00-672.00).

CHICAGO, August 19.

Lard—Chicago loose 21.00 (same). New York prime steam 26.75 traded (27.00)

Live Cattle—Aug 65.25-65.20 (67.97), Oct 63.65-65.55 (65.22), Dec 66.35-66.30, Feb 65.60-65.65, April 65.45, June 65.20, Aug 63.90.

Live Hogs—Aug 53.12-53.15 (52.70), Oct 52.25-52.10 (51.00), Dec 54.45-54.25, Feb 54.65-54.75, April 52.60, June 54.95, July 54.95, Aug 50.95, Oct 53.50

‡‡Maize—Sept 312-311½ (309¾), Dec 315-315½ (311¼), March 330¼-330, May 343-342¼, July 349½-349¾, Sept 334½

Pork Bellies—Aug 56.32 (56.32), Feb 69.10-69.10 (67.10), March 69.25-69.35, May 70.45, July 71.45, Aug 70.95.

†Soyabeans—Aug 631-690½ (667), Sept 694-695 (696¾), Nov 710-711, Jan 730-731, March 751-751½, May 771, July 785, Aug 790

‖Soyabean Meal — Aug 202.0-203.0 (197.51), Sept 198.0-297.7 (196.7), Oct 197.6-298.8, Dec 204.5-204.7, Jan 208.2-207.0, March 214.7-215.0, May 219.0-219.5, July 224.5-225.0, Aug 226.0-226.5.

Soyabean Oil — Aug 21.60 (21.13), Sept 21.50-21.63 (21.22), Oct 22.40-22.52, Dec 23.25-23.30, Jan 23.75, March 24.50-24.45, May 25.10-25.20, July 25.50-25.70, Aug 25.60-25.70.

†Wheat—Sept 404½-404 (404), Dec 435¼-434¼ (434), March 459¼-459½, May 470-471, July 470, Sept 480½.

WINNIPEG, August 19.

§Barley—Oct 130.50-130.80 (132.90), Dec 130.50-130.60 (132.90), March 133.20, May 135.00

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 242.10 (242.55)

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

NEW YORK, August 18

††Cocoa — Sep 1374 (2005), Dec 2119 (2143), March 2214, May 2254, July 2260, Sep. 2315, Dec 2350. Sales: 2,280

Coffee—"C" Contract Sep 117.00-117.50 (122.54), Dec 114.50-114.75 (117.82), March 114.00-114.25, May 114.50-114.70, July 115.40, Sep 115.50-115.90, Dec 115.50-115.50

Cotton — No. 2, Oct 67.71-67.40 (66.40), Dec 69.02-69.20 (69.83), March 71.45-71.50, May 73.30, July 74.69, Oct 76.20-76.64, Dec. 77.30-77.50. Sales: 5,700

Heating Oil (cents per U.S. gallon)—Sep 0.9502 (0.9592), Oct 0.9765 (0.9765), Nov. 0.9935, Dec 1.0125, Dec 1.0125, Jan 1.0282, Feb. 1.0461, March 1.0555, April 1.0525, May 1.0690, June 1.0715, July 1.0750, Aug 1.0800, Sep. 1.1025, Oct 1.1125. Turnover: 5,424.

Orange Juice—Sep 123.70 (126.70), Nov 128.00-128.40 (131.30), Jan. 132.95, March 135.00-135.40, May 137.05-137.50, July 139.10-139.50, Sep. 141.50-141.50, Nov. 143.20-143.50. Sales: 2,100

Chicago Imm Gold—Sep 438.0-436.0 (416.2), Dec 455.5-454.0 (432.8), March 474.5, June 493.0, Sep 490.0, Dec. 50.60, March 52.47, June 54.28

NEW ORLEANS—Milled Rice Futures (cents per cwt of U.S. No. 2 long grain): Sep 2015, Nov 2006, Jan 2060, March 2102, May 2156

EUROPEAN MARKETS

ROTTERDAM, August 19

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent Aug 197, Sept 201, Oct 206, Nov 210. U.S. No. Two Red Winter Aug 164.50, Sept 168. U.S. No. Three Amber Durum mid-Aug-mid-Sept 186, Sept 187, Oct 192, Nov 196. U.S. No. Two Northern Spring 14 per cent Aug 190.50, Sept 186.50, Oct 192, Nov 197

Maize—(U.S. $ per tonne): U.S. No. Three Corn Yellow afloat 150, Aug 148.50, Sept 146, Oct 144, Nov 145, Dec 147.50, Jan-March 152.50, April-June 158.

Soyabeans—(U.S. $ per tonne), U.S. Two Yellow Gulfports, Aug 265.25, Sept 273, Oct 274, Nov 275, Dec 280, Jan 286.50, Feb 291.75, March 298, April 302, May 304, sellers tradeless.

INDICES

FINANCIAL TIMES

Aug. 18	Aug. 17	Month ago	Year ago
265.20	268.85	270.02	275.76

(Base: July 1, 1952=100).

MOODY'S

Aug. 18	Aug. 17	Month ago	Year ago
1061.2	1066.5	1060.6	1251.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 18	Aug. 17	Month ago	Year ago
Spot	371.57	373.10	383.25	446.74
Fut'rs	380.00	383.28	389.25	464.14

(Average 1924-25-26=100)

REUTERS

Aug. 18	Aug. 18	M'nth ago	Year ago
1726.6	1734.1	1707.9	1725.5

(Base: September 18, 1931=100)

Investors hold back awaiting clearer picture of U.S. interest rates and outcome of current rail talks

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug 10	Aug 26	Aug 27	Sept 7
Aug 28	Sept 10	Sept 11	Sept 21
Sept 14	Sept 24	Sept 25	Oct 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

Institutional and most other investors were content to withhold funds yesterday awaiting developments in the three major situations currently dominating sentiment on the London Stock Exchange. Foremost was the position regarding American interest rates—interbank levels there rose again overnight—but domestic issues, particularly the current rail negotiations, were also injecting investment caution. Sterling's fresh gyrations against the dollar yesterday caused additional uncertainty.

Leading shares looked distinctly easier shortly after 10 am, but revived small demand for the ever-popular trio of Electrical leaders checked the downturn, and even caused a tentative recovery in places. Overall interest in leading industrials remained light and prices for most of the session held close to their lower early levels. Trading announcements were less frequent than recently and only a handful of situation stocks attracted inquiries. The U.S./Libyan incident in the Middle East was noted but, in common with the latest UK average earnings figures, had little impact on market trends.

Measuring the early dullness, the FT Industrial Ordinary share index was down 4.1 at 10 am before steadying to close a net 3.8 lower at 563.3. Several constituents of the index resisted the easier trend, including **Blue Circle, Hawker Siddeley and Lucas Industries**, all of which showed reasonable gains on balance. **GKN**, however, were one of the day's notable casualties with a loss of 8 at 162p.

The increasing upward pressures on U.S. interest rates unsettled Gilt-edged securities. Selling was generally light but, in a market lacking any sizeable demand, resulted in losses among longer-dated stocks generally ranging to ½. **Treasury** 13 per cent 1990 fell an exceptional ¾ to 93¼. The shorts were steadier, often ending only ⅛ easier.

In an attempt to find a trading level, **Antofagasta Railway** were lowered to £86 for a fresh loss of 4 points.

Once again, demand for Traded options was adversely affected by relatively low activity in the underlying securities. Total contracts completed yesterday amounted to 1,369—300 below Tuesday's. **Lonrho**, uncharacteristically subdued of late, attracted renewed support and recorded 169 calls, while interest was maintained in **Marks and Spencer** with 216 calls done, 185 in the October 140. Put Trading was dominated by **Racal** with the November 420's accounting for 200 deals out of 212.

Provident easier

Pending further bid developments following the Board's strong rejection of Winterthur's cash bid of 320p per share, **Provident Life** cheapened 5 to 333p. Other Life companies plotted an irregular course in thin trading. **Sun Life** put on 5 at 319p and **Britannic** hardened 2 to 292p but **Legal and General** softened a few pence to 256p. Composites continued to drift lower on lack of support.

Home banks continued to give ground in the absence of support. **NatWest** lost 4 to 396p and **Lloyds** 3 to 415p. Elsewhere, **Grindlays** shed 6 to 224p. Discount Houses attracted modest demand and moved firmly against the trend with gains ranging to 5.

Subdued conditions persisted in the Building sector. Contracting issues trended a few pence lower again. **Taylor Woodrow** easing 5 to 573p and **Higgs and Hill** a few pence to 124p. Elsewhere, **HAT Group** were lowered 4 to 71p on the proposed £7.6m rights issue. Against the trend, **Blue Circle** met occasional support and firmed 10 to 486p.

Chemicals followed the downward trend, **ICI** and **Fisons** reacting 4 apiece to 284p and 153p respectively.

Sumrie good again

Renewed worries about the effects of the continuing fall in consumer spending left Stores with a drab appearance. **Boots**, 237p, and **W. H. Smith**, 177p, shed 4 apiece, while **British Home** eased 3 at 145p. **Currys** remained out of favour and fell 6 for a two-day loss of 12 at 192p: the interim figures are expected next month. **Waring and Gillow**, preliminary results due in the next Account, eased a couple of pence to 146p while revived profit-taking clipped 6 from **Cornell Dresses**, 168p, and 5 from **Polly Peck**, 348p. In sharp contrast, **Sumrie Clothes** again attracted speculative support reflecting Mr Harvey Michael Ross's interest in the company and firmed 6 more to 57p.

Leading Electricals fluctuated within fairly narrow limits before ending on a dull note. **GEC** settled with a fall of 8 at 780p. **Thorn EMI** ended similarly cheaper at 487p. Among secondary issues, comment on the preliminary figures prompted a reaction of 23 to 235p in **Wholesale Fittings**. **Bowthorpe**, a particularly good market of late, encountered profit-taking and reacted 6 to 200p. **Ferranti** fell 10 to 595p in a limited market along with **STC**, 12 cheaper at 448p.

Leading Engineers passed a fairly quiet session, but tended to rally in places after an easier start. **GKN**, however, fell away to close 8 cheaper at 163p. **Hawker**, on the other hand, ended 6 to the good at 336p following sporadic demand while **Tubes** finished 2 firmer at 150p, after 146p. Elsewhere, **Chemring** reacted 10 to 240p in a limited market.

Foods drifted easier for want of attention. **Associated Dairies**, preliminary results due next Wednesday, declined 6 to 198p, while **Rowntree Mackintosh** dipped 4 to 178p and **Tate and Lyle**, at 174p, lost 2 of Tuesday's Press-inspired gain of 6. **Meat Trade Suppliers** added 2 more to 96p, still reflecting the full-year figures, while **Squirrel Horn** advanced 3 to 32p following the 67 per cent leap in interim earnings and hopes about a restoration of last year's dividend cut.

Amal. Metal jump

Amalgamated Metal highlighted the miscellaneous industrial sector, jumping 87 to 387p, after 390p, on the announcement that Preussag of Hannver are interested in buying the outstanding 20.5 per cent of the group's share capital it does not already own. Elsewhere, an investment recommendation drew buyers' attention to **Extel** which touched 248p before closing a net 15 higher at 245p. Speculative buying fuelled by takeover suggestions helped **Siebe Gorman** put on 4 afresh to 194p, while demand of a similar nature lifted **Marshall's Universal** 8 to 76p. Comment on the first-half profits recovery helped **Dufay Bitumastic** advance 4 to 48p, after 49p. **Durapipe**, however, softened 2 to 25p on the proposed £2.1m rights issue and **AGB Research** gave up 5 to 255p despite the sharply increased profits and dividend.

Johnson Group Cleaners were marked up to a 1981 peak of 257p in initial response to the favourable results but reacted to close unaltered on balance at 254p. **Wood Hall** fell 7 to 132p on profit-taking and **Thomas Tilling** shed 5 to 178p. **Manchester Ship Canal** also lost 5, to 123p, in a thin market and **Change Wares** came on offer at 30p, down 3. Of the leaders, **Unilever** dipped 8 to 642p, after 638p, following profit-taking in the wake of the better-than-expected second-quarter profits. Firm recently on buying ahead of the interim results due shortly, **Reckitt and Colman** lost 6 to 296p.

Support was forthcoming for **Pearson Longman**, 8 up at 183p. **Independent News** held at 95p despite the halved interim profits. Elsewhere, **Richard Clay** fell 5 to 47p, after 46p, on the first-half deficit and omitted dividend.

Stock Conversion remained friendless, easing 7 more to 353p. Elsewhere in Properties, **Land Securities**, 334p, and **MEPC**, 244p, both declined 4 in the absence of support. **North British** cheapened 5 to 184p. **Churchbury Estates** gained 15 to 750p.

Shell weaken

Trading conditions in the Oil sector remained unsettled pending the outcome of the Opec negotiations. **Shell** encountered nervous offerings in front of today's half-yearly figures and gave up 10 more to 400p, while **BP** fluctuated within narrow limits before settling 2 easier at 328p. Among the more speculative issues, **Berkeley Exploration** met renewed selling and gave up 10 to 352p, while **Candecca** finished 3 easier at 211p following the preliminary results. **Gaelic** also gave up 10, to 210p, but **Atlantic Resources** were good late at 305p, up 15, on speculative demand.

Among Overseas Traders, **Gill and Duffus**, the subject of considerable speculative activity recently, fell 7 to 230p on profit-taking. **Harrisons and Crosfield** rallied 37 to 812p.

Trusts trended easier in sympathy with the setback in equities, but **Energy Resources** encountered late demand and put on 37 to 550p. **Ailsa** closed a penny firmer at 224p following details of the proposed reorganisation.

Leading Textiles traded quietly and ended with small falls, but useful gains were noted among secondary counters. **Sirdar** continued to attract speculative support and rose to 220p before settling for a net gain of 6 at 218p. **Reliance Knitwear** jumped 3 to 20½p following better-than-expected annual profits and the cautiously optimistic outlook. **Stirling Knitting** added 4 to 92p.

Golds up again

South African Golds advanced afresh as heavy overnight American buying of both shares and bullion was followed by renewed Johannesburg and London demand.

Share prices were marked up sharply at the outset and received a further boost during the morning as a fresh surge of buying resulted from news of the American/Libyan incident.

The market tended to ease in the afternoon owing to profit-taking but resumed its uptrend in the after-hours' trade as renewed American buying was reported. The Gold Mines index put on 11.6 more to 398.0—a two-day gain of 29.7 which took the index over 50 per cent up from the June 29 low for the year. Bullion closed $13.50 up at $433 an ounce.

GFSA added a further ½ to a high of £43½ on the record profits and increased dividend, but **De Beers** lost 2 more to 405p in the wake of the sharp contraction in first-half earnings.

Australians were featured by **Strata Oil** which dropped 20 to 80p, after 78p, following the sale of a 65 per cent stake in the Woodada field valuing the EP 100 licence area at A$153m. **Hampton Trust**, which is negotiating a 3.5 per cent interest in EP 100, dipped 6 to 27p, while Strata shareholders **Haoma** and **North West Mining** were respectively 6 off at 56p and 2 easier at 42p. Australian Golds moved up following the Federal budget which did not impose a tax on gold mining. **Poseidon** closed 7 firmer at 255p.

Bougainville hardened a penny to 111p despite the sharply reduced profits and interim dividend.

Malaysian Tins lost ground reflecting the weakness of Far Eastern markets. **Geevor Tin**, however, rose 3 to 160p following the fresh surge in tin prices on the London Metal Exchange. **SPO Minerals** met persistent selling from one source and fell 7 to 25p.

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981

NEW HIGHS (51)

AMERICANS (1)
Esmark
BEERS (1)
Burtonwood
ELECTRICALS (1)
Petbow
ENGINEERING (1)
Baker Perkins
FOODS (5)
Bateys Yorkshire — Meat Trade Suppliers
Belam — Squirrel Horn
Glass Glover
HOTELS (1)
Kennedy Brookes
INDUSTRIALS (6)
Amalgamated Metal — Hoskins & Horton
Extel — Johnson Cleaners
Granada A — Sketchley
LEISURE (1)
Saga Holidays
NEWSPAPERS (1)
Bristol Evening Post
PAPER (2)
Ferry Pickering — More O'Ferrall
PROPERTY (1)
Churchbury Estates
SOUTH AFRICANS (1)
S.A. Breweries
TEXTILES (2)
Illingworth Morris — Sirdar
TRUSTS (3)
Energy Res. & Serv — London & Gartmore
Gresham House — Northern Securities
Inv. in Success — Pearson (S.)
MINES (21)
ERGO — Gold Fields S.A.
Kinross — Jo'burg Cons.
Winkelhaak — New Wit
Doornfontein — Patino N.V.
Kloof Gold — Sentrust
Libanon — Transvaal Cons.
St. Helena — Lydenburg
Unisel — Rustenburg Plat.
Anglo Am Coal — Messina
Anglo American — Cons. Murchison
Gencor

NEW LOWS (17)

INDUSTRIALS (5)
Change Wares — Hoover A
Christies Ind. — Photo-Me
Gieves
TRUSTS (3)
First Charlotte Ass. — Yule Catto
Hampton Trust
OILS (1)
Strata Oil
RUBBERS (2)
Castlefield — Kuala Kepong
MINES (6)
Ayer Hitam — Tongkah H. Tin
Kamunting — Tronoh
Sungei Besi — SPO Minerals

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	—	82	11
Corpns., Dom. and Foreign Bonds	—	12	57
Industrials	137	351	889
Financial & Props.	82	156	284
Oils	9	37	53
Plantations	3	8	12
Mines	83	27	56
Others	49	60	95
Totals	343	733	1,457

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Amalgamated Metal	387	+87	Land Securities	334	−4
De Beers Deferred	405	−2	President Brand	£23	+0⅝
Extel	245	+15	RTZ	598	−2
GEC	780	−8	Shell Transport	400	−10
Hambro Life	421	−1	Sun Life	319	+5
Johnson Cleaners	254	—	Tricentrol	298	−4

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
RTZ	24	600	−5	De Beers Defd.	12	407	−8
Unilever	18	650	−25	Plessey	12	390	—
Thorn-EMI	16	495	−2	Tricentrol	11	302	+10
GEC	15	788	−1	Letraset	10	121	−2
Racal Elec	14	478	+1	Royal Insce.	10	410	−7
Laird "New"	12	20pm	—	Shell Transport	10	410	−4
BH Prop.	12	645	−15	Horizon	9	285	−2

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug 17	Aug 28	Nov 19	Nov 30
Sept 7	Sept 18	Dec 3	Dec 14
Sept 21	Oct 2	Dec 17	Dec 28

For rate indications see end of Share Information Service

Quiet conditions prevailed in the Option market. Calls were arranged in **Dunlop, Double Eagle, RTZ, Lonrho, NCC, Hampton Trust, Sharna Ware** and **Strata**. Puts were done in **Lucas, Trusthouse Forte, Tubes, Boots** and **Libanon**, while doubles were struck in **Lonrho, Lasmo** and **Grindlays**.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Aug. 19, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Aug. 18 Index No.	Mon., Aug. 17 Index No.	Fri., Aug. 14 Index No.	Thur., Aug. 13 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	372.30	−0.7	9.49	4.16	13.17	374.76	376.33	375.63	370.54	283.40
2	Building Materials (25)	323.98	—	11.48	5.24	10.72	323.82	325.45	323.12	321.27	269.35
3	Contracting, Construction (28)	584.69	−0.5	16.41	4.86	7.07	587.51	588.50	584.16	576.20	419.54
4	Electricals (30)	1237.47	−1.0	7.32	2.23	17.05	1249.73	1248.45	1251.96	1225.26	842.32
5	Engineering Contractors (10)	500.05	−0.7	12.18	5.45	9.76	503.69	508.73	511.01	509.95	332.98
6	Mechanical Engineering (69)	213.32	−0.3	11.32	5.35	11.40	214.00	216.24	214.88	213.72	181.32
8	Metals and Metal Forming (13)	168.17	−1.1	9.46	7.07	13.87	170.11	173.03	171.77	170.48	164.65
9	Motors (21)	105.34	+0.5	1.62	6.57	—	104.84	105.85	104.87	103.41	109.68
10	Other Industrial Materials (18)	398.47	−1.0	9.07	5.04	13.21	402.66	404.66	405.13	399.77	0.00
21	CONSUMER GROUP (195)	292.52	−1.0	11.77	5.48	10.49	295.13	296.18	295.05	290.90	239.21
22	Brewers and Distillers (20)	312.42	−1.1	14.25	6.17	8.42	315.85	317.84	317.66	312.97	293.70
25	Food Manufacturing (21)	273.43	−1.0	14.24	6.10	8.45	276.29	273.12	271.20	268.32	216.44
26	Food Retailing (14)	561.37	−1.3	8.77	3.18	13.59	568.50	568.43	568.44	559.21	356.55
27	Health and Household Products (7)	359.58	−1.1	7.72	4.09	15.42	363.50	363.12	360.86	352.92	236.43
29	Leisure (22)	469.16	−0.7	8.79	4.56	14.13	472.34	473.99	476.41	467.81	340.76
32	Newspapers, Publishing (12)	496.40	−0.2	12.48	5.99	11.39	499.60	502.74	501.84	500.75	436.35
33	Packaging and Paper (13)	154.43	−0.7	13.60	6.86	8.74	155.55	155.88	152.84	152.45	129.82
34	Stores (44)	271.03	−0.9	10.71	4.92	12.45	273.62	276.83	276.04	271.21	237.38
35	Textiles (23)	164.46	−1.3	7.21	5.55	19.87	166.66	168.14	164.97	164.82	124.25
36	Tobaccos (3)	264.61	−0.4	19.18	9.43	6.11	265.97	268.94	267.65	266.63	227.65
39	Other Consumer (16)	288.22	−0.1	4.54	5.85	53.22	288.53	289.10	289.17	287.63	0.00
41	OTHER GROUPS (79)	236.21	−0.8	9.74	6.06	13.43	238.03	238.00	237.18	232.98	227.44
42	Chemicals (15)	298.63	−1.3	4.55	6.08	42.14	302.57	302.90	302.01	293.98	316.73
44	Office Equipment (6)	113.89	−1.9	14.51	7.22	8.31	116.15	116.24	116.01	116.01	107.40
45	Shipping and Transport (13)	540.31	—	15.29	7.05	7.77	540.26	537.40	540.79	538.16	608.27
46	Miscellaneous (45)	311.18	−0.1	12.51	5.41	9.83	311.57	311.59	309.19	307.72	280.46
49	INDUSTRIAL GROUP (488)	311.61	−0.8	10.65	5.05	11.72	314.17	315.22	314.27	309.94	254.95
51	Oils (12)	765.63	−1.4	22.01	7.52	5.04	776.50	787.15	794.48	795.85	801.08
59	500 SHARE INDEX	348.36	−0.9	12.61	5.48	9.53	351.58	353.39	355.09	349.19	298.26
61	FINANCIAL GROUP (118)	275.61	−0.4	—	5.42	—	276.72	278.67	278.13	275.20	253.00
62	Banks (6)	280.23	−0.5	31.79	6.69	3.70	281.74	285.76	285.61	284.46	237.51
63	Discount Houses (10)	275.18	+1.1	—	8.19	—	272.29	272.01	268.83	268.79	234.49
64	Hire Purchase (3)	259.33	—	11.81	7.01	11.72	259.33	260.21	260.76	261.69	219.38
65	Insurance (Life) (10)	289.34	−0.1	—	5.23	—	289.67	292.72	289.63	282.05	247.63
66	Insurance (Composite) (9)	184.82	−0.2	—	7.08	—	185.23	185.60	185.65	181.64	165.55
67	Insurance Brokers (8)	426.42	−0.6	10.44	5.44	13.00	428.87	436.01	438.04	432.87	343.05
68	Merchant Banks (13)	172.07	−0.8	—	4.94	—	173.50	173.91	174.14	174.38	158.07
69	Property (49)	491.06	−0.6	3.80	2.86	35.89	493.94	495.32	493.91	491.13	442.41
70	Miscellaneous (10)	185.30	−0.1	17.28	5.71	7.04	185.39	186.44	186.13	186.99	144.74
71	Investment Trusts (109)	326.91	−0.8	—	4.88	—	329.48	332.90	330.62	329.55	263.08
81	Mining Finance (3)	284.10	−0.2	12.39	4.81	9.50	284.60	288.01	296.26	289.57	242.41
91	Overseas Traders (20)	436.25	+0.5	10.70	6.81	11.92	434.18	437.91	437.76	436.97	431.02
99	ALL-SHARE INDEX (750)	334.02	−0.8	—	5.44	—	336.60	338.64	338.45	334.86	286.48

FIXED INTEREST

	PRICE INDICES	Wed. Aug. 19	Day's change %	Tues., Aug. 18	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.94	−0.13	106.57	—	7.53
2	5-15 years	103.60	−0.56	104.18	—	8.60
3	Over 15 years	106.06	−0.59	106.69	—	8.55
4	Irredeemables	115.49	−0.63	116.22	—	7.43
5	All Stocks	105.03	−0.45	105.48	—	8.17
6	Debentures & Loans	82.01	−0.30	82.25	—	7.03
7	Preference	62.12	−0.05	62.15	—	5.10

	AVERAGE GROSS REDEMPTION YIELDS		Wed. Aug. 19	Tues., Aug. 18	Year ago (approx.)
	British Government				
1	Low	5 years	12.48	12.40	12.10
2	Coupons	15 years	13.13	13.04	12.10
3		25 years	13.36	13.26	12.10
4	Medium	5 years	14.70	14.60	13.44
5	Coupons	15 years	15.15	15.01	13.40
6		25 years	14.67	14.57	13.35
7	High	5 years	14.64	14.54	13.61
8	Coupons	15 years	15.30	15.20	13.78
9		25 years	14.92	14.84	13.39
10	Irredeemables†		12.96	12.87	11.54
11	Debs & Loans	5 years	15.59	15.54	14.33
12		15 years	15.83	15.77	14.19
13		25 years	15.86	15.82	14.04
14	Preference†		15.86	15.86	14.50

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
155	F.P.	31/6	172	152	♣Aerospace Eng.	160	......	bd7.5	1.4	6.7	14.8
64	F.P.	5/9	63	60½	East of Scot. Onshore	61	......	g0.83	—	2.0	—
‖	F.P.	—	25	17	††Energy Sources	17	......	—	—	—	—
§53	F.P.	24/9	87	75	♣Fleet St. Letter. 5p.	82	−5	u2.5	1.9	4.4	17.2
140	F.P.	16/10	140	130	Hamilton Oil G.B.	136	−1	u1.0	18.4	1.1	7.4
—	F.P.	14/8	7	6	♣Hartons 5p.	7	......	—	—	—	—
§10	F.P.	—	22	17	♣ICC Oil services	19	−1	—	—	—	28.0
25	F.P.	18/9	28	27	JapanAssetsTrust10p	27½	......	—	—	—	—
§51	F.P.	20/7	69	61	♣Microfilm Repro.	62	......	b2.5	1.4	5.8	17.9
[illegible]	F.P.	20/8	125	120	♣Newcourt Oil	120	......	—	—	—	—
100	F.P.	—	103	98	♣Ramus	100	−1	gd5.0	2.1	7.1	7.7
83	F.P.	17/7	90	70	♣Stanelco	83	......	—	—	—	25.4
§155	F.P.	5/8	208	190	♣Star Computer	208	+6	2.0	4.3	1.4	21.7
—	F.P.	18/9	14	10	Stewart Ent. Warrs.	14	......	—	—	—	—
92	F.P.	26/8	120	114	St'ckhold'rsF.E.Inv$l	115	......	—	—	—	—
66	F.P.	7/9	86	75	♣Thorpac	86	+2	b1.82	3.7	3.0	11.3
100	F.P.	15/7	104	95	Utd.Comp.&Tech. 50p	101	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price	+ or −
—	F.P.	6/7	110	102	Aitken Hume 10% Cnv. Uns. Ln. 1990/91	109	+1
100‖	F.P.	7/8	113¼	97½	Chloride 7½% Conv. Prf.	100	−1½
¶	£10	—	10¼	9⅞	East Surrey Water 10% Prf. 1986.	10¼	......
100‖	Nil	28/8	9pm	6pm	Hanson Trust 9½% Cv. Uns. Ln. 2000-6	6pm	−1
98½	£25	12/11	25¾	24½	Inco 15½% Uns. Ln. 2006.	25¼	−¼
100‖	F.P.	12/8	124½	110½	Jones (Edward) 15% Cnv. Uns. Ln.'96-98	119	......
¶27	£10	5/9	110	95	Mid-Kent Water 9% Red. Prf. 1987	96½	......
¶100	F.P.	28/8	98½	96	Mid-Southern Wat. 9% Red. Pref. '86	97	......
‖	F.P.	17/7	104¼	95	Mount Charlotte 9½% Cnv. Ln. 1995-2000	96	−1
100	F.P.	—	100⅛	99¾	Nat'wide Bdg Society 14½% Bds. 1/6/82	100⅛	−⅛
§100	F.P.	—	100⅛	100⅛	Do. 14½% Bds (25/8/82)	100⅛	−⅛
100‖	F.P.	23/7	179	101	Prop. Hldg. & Inv. Tst. 8½% Cnv. Ln.	103	......
¶¶	F.P.	—	93p	83p	Sterling Credit 3.5% Cnv. Red. Pref.	87½p	......
100p‖	F.P.	11/8	100½p	82½p	'W' Ribbons 10% Cum. Red. Prf. '95-96.	82½p	......
¶100	£10	—	11	10½	York Waterworks 10% Red. Pref. '85	10¾	−¼

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ▣	1981 High	1981 Low	Stock	Closing price p	+ or −
22	F.P.	31/7	11/9	24	22½	A.I.D.	23	......
45	F.P.	23/7	28/8	54	49	Brengreen	53	......
275	125p	13/7	2/12	182	130	B.P.	170	−4
42	Nil	20/8	17/9	9pm	8pm	Buckley's Brewery	9pm	......
18	F.P.	14/8	4/9	21½	19	Edinburgh Gen. Ins.	20	......
575	F.P.	10/7	7/8	410½	390	English Association	410	......
176	F.P.	7/8	11/9	245	200½	Extel	245	+15
240	F.P.	—	—	405	210	††Gaelic Oil	210	−10
11	Nil	28/8	30/9	2pm	1½pm	Gartons	1¼pm	......
90	F.P.	10/7	21/8	154	121½	Geers Gross	152	......
5	F.P.	14/8	21/8	7½	6	Hartons	7½	......
HK$12	HK$6	28/8	9/10	109	66	Hong Kong & Shanghai Bk.	101	+2
131	Nil	28/8	25/9	35pm	25pm	Ladbroke	32pm	−1
110	Nil	—	—	20pm	16pm	Laird Grp.	19½pm	−½
55	F.P.	21/8	2/10	45	41	Lane (Percy)	45	......
345	Nil	7/8	18/9	175pm	98pm	Mercantile House	145pm	−10
77	F.P.	20/8	25/9	92	81	Moss Engineering	88	......
160‖	F.P.	9/7	12/8	200	185	New Court Nat.Res. Units	190	......
50	F.P.	9/7	12/8	73	65	Old Swan Hotel (H'gate)	67	......
A$1	Nil	—	—	148pm	124pm	Pancontinental	136pm	−2

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take over. ‖‖ Introduction. □ Issued to former preference holders. ▣ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ♣ Unlisted Securities Market. ‡‡ London Listing. ✝ Effective issue price after scrip.

FINANCIAL TIMES STOCK INDICES

	Aug. 19	Aug. 18	Aug. 17	Aug. 14	Aug. 13	Aug. 12	A year ago
Government Secs	64.82	65.18	65.24	64.81	64.92	65.09	[illegible]
Fixed Interest	66.49	66.49	66.29	66.23	66.04	65.94	[illegible]
Industrial Ord	563.3	567.1	572.9	572.5	561.4	567.0	[illegible]
Gold Mines	398.0	386.4	368.3	371.2	361.1	360.1	[illegible]
Ord. Div. Yield	5.31	5.29	5.26	5.25	5.35	5.30	[illegible]
Earnings, Yld. % (full)	9.28	9.24	9.18	9.15	9.33	10.12	[illegible]
P/E Ratio (net) (*)	14.20	14.11	14.22	14.27	13.99	12.58	[illegible]
Total bargains	18,687	19,003	17,348	22,018	20,091	16,701	12,9[illegible]
Equity turnover £m.	—	137.62	123.75	148.49	138.60	146.66	[illegible]
Equity bargains	—	14,207	14,003	14,568	15,650	15,607	[illegible]

10 am 563.0. 11 am 563.7. Noon 563.6. 1 pm 563.6. 2 pm 563.2. 3 pm 563.3.

Latest index 01-246 8026.

Nil=12.77

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/5)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (8/1)	262.6 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 18	Aug. 17
—Daily		
Gilt Edged Bargains	172.4	165.[illegible]
Equities Bargains	92.0	90.[illegible]
Value	278.2	250.[illegible]
5-day Avrge.		
Gilt-Edged Bargains	175.5	179.[illegible]
Equities Bargains	95.9	97.7
Value	281.1	286.5

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* ...[9.41 9.83] 3.60
Clive Gilt Fd. (C.I.) ...[7.93 8.29] 15.92
*Prices on Aug. 19. Next dealing Aug. 27.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. ...[252.0 274.0] ..... —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intnl. ...[US$10.09] — [−1.52] —

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) ...[88.2 88.3] +1.0 15.29
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa ...[DM34.63 36.40] +0.20 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. Aug 11 ...[$4.54 4.77] ..... —

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029
HS Channel Is. Fd. ...[156.6 166.9] 3.25
H.S. Fxd. Int. Fd. ...[85.0 90.0] 14.00
H.S. Intnl. Gth. Fnd. ...[120.4 127.3] ..... —
Box 2622, Berne, Switzerland. Telex 33425.

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† ...[US$2.63 2.78] .....
O.C. Sm. Co. *** ...[129.5 137.7] .....
O.C. Commodity* ...[103.4 110.0] .....
O.C. Dir. Comdty.† ...[US$42.39 44.93] .....

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	69.1	74.1	-0.6	1.95
Abbey Capital	53.7	58.1	-0.4	3.73
Abbey General	65.4	68.5xd	-0.8	4.88
Abbey Gilt & F.I. Tst.	99.2	104.5	-0.3	12.52
Abbey Income	38.6	41.7	-0.2	8.42
Abbey W'w.Bd.Tst.	97.6	103.3	+0.3	6.49
Abbey Inv. Ts. Fd.	58.3	63.0	-0.5	3.92
Equitas Prog. Tst.	92.0	99.4	-0.9	4.11

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314
AHR Gilt Trust 83.1 87.4xd -0.2 13.21

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	98.2	105.1xd	-1.2	5.23
Brit. Inds. Fund	82.4	88.2	-0.5	5.78
Growth & Income	56.9	60.9	-0.3	4.10
Elect. & Ind. Dev.	50.7	54.3	-0.5	4.42
Allied Capital	109.8	117.5	-0.5	3.75
Hambro Fund	146.4	156.6	-1.2	5.12
Hambro Acc. Fund	208.6	223.2	-1.6	3.67

Income Funds

High Yield Fd.	69.2	74.1xd	-0.1	8.09
High Income	58.0	54.3	-0.5	4.79
Equity Income Fd.	49.6	53.1xd	-0.3	6.95
Govt. Secs.	23.6	24.7	-0.2	12.76

International Funds

International	41.0	43.9xd		1.98
Japan Fund	33.2	35.5	+0.1	0.46
Pacific Fund	84.3	90.2	-0.3	1.15
Secs. Of America	93.5	100.1	-0.5	2.40

Specialist Funds

Smaller Co.'s Fd.	61.3	65.4	-0.1	3.59
2nd Smlr. Co's Fd.	75.9	82.3	-0.5	3.94
Recovery	30.1	32.2	-0.2	4.38
Met. Min. & C'dty.	72.4	77.5	-0.1	4.75
Overseas Earnings	82.7	88.5	-0.6	4.63

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.2	38.5xd	-0.1	11.52
North American	70.3	75.0	-1.1	2.24
Canadian Exempt*	79.3	87.9		2.74
Craigmount Trust	72.7	77.9	+0.4	2.27
Mid Mount High Inc.*	47.2	49.9xd		9.65
Recovery	58.9	63.5	-0.1	6.69
Gilt Trust	39.7	41.6xd	-0.2	13.95

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	49.1	53.0	-0.3	0.97
Cres. Internat'l.	98.2	106.0	-0.3	1.52
Cres. High. Dist.	45.1	48.7	-0.3	9.23
Cres. Reserves	55.4	59.8xd	-0.4	5.02
Cres. Tokyo	44.7	48.2		0.26

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324
Total Perf. Unit Tst. 24.1 25.6 ... 8.55

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485
Disc. Inc. Aug 6 251.9 268.4 ... 4.96

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.8	20.9xd		6.30
Gt. Winchester O'seas	30.0	34.2xd		3.40

For Enson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377
Equity & Law 101.1 106.4 -0.9 4.07

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American (z)	43.0	46.3	-0.9	0.39
Amer. Spec. Sits. (z)	32.2	34.7	-0.5	0.05
Gilt + Fixed Int.	22.9	24.0	-0.1	13.50
Growth + Income	36.0	38.8	-0.2	6.46
Maximum Inc. Eq. Tst.	30.9	33.3	-1.2	8.32
Special Sits.	44.4	47.8	-0.1	1.20

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	43.9	47.2	-2.4	1.15
Accum. Units	54.6	58.7	-2.9	1.15
J. Finlay High Income	38.4	41.3	+0.1	8.35
Finlay Wld. Energy	21.0	22.6	-0.1	1.72

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99[illegible]	99⅛	Treas. Variable '81‡‡	99¼		14.04	14.06
100[illegible]	99⅛	Exch. 12¾pc 1981‡‡	99½	−⅛	12.81	14.10
98⅜	95[illegible]	Treas 8¼pc '80-82‡‡	98		8.67	14.50
96⅜	91⅞	Treasury 3pc '82‡‡	96¼xd		3.12	11.03
107	99¼	Treasury 14pc '82‡‡	100¾xd	−⅛	13.93	13.29
99⅝	98[illegible]	Treas Variable '82‡‡	99⅝		14.05	14.35
96[illegible]	93[illegible]	Treasury 8¾pc '82	95¼	−⅛	8.62	13.48
96[illegible]	93[illegible]	Exch. 9¼pc 1982	95½xd	−⅛	9.69	13.92
95⅛	92⅝	Exch. 8¼pc 1983	94¾	−⅛	9.23	12.95
92¼	84⅞	Exch 3pc 1983	91¼xd		3.29	9.35
99⅜	95⅞	Treasury 12pc 1983‡‡	97¾xd	−⅛	12.32	14.00
99½	96¼	Treas Variable '83‡‡	99½		14.07	14.26
96⅛	91¼	Treasury 9½pc '83	93½	−⅛	9.59	13.18
101[illegible]	97[illegible]	Exch. 13pc '83	95¼	−⅛	13.67	14.07
94⅛	91¼	Exch. 10pc 1983	92⅝	−⅛	10.80	13.70
88	84½	Funding 5½pc '82-84‡‡	87¼	−¼	6.30	11.71
96¾	92⅞	Exch 11¼pc 1984	93⅞xd	−⅛	11.98	14.22
103[illegible]	98¼	Exchequer 14pc 1984	99⅞	−¼	14.09	14.23
82⅝	78½	Exch. 3pc 1984	81⅛		3.70	10.92
98⅜	92⅞	Treasury 12pc 1984	93⅞	−⅛	12.78	14.47
107¼	100⅞	Treasury 15pc 1985	101⅞xd	−¼	14.72	14.28
98⅞	91⅝	Exch. 12pc Cnv '85	93½xd	−¼	12.89	14.58
76	73¼	Treasury 3pc 1985	74¼		4.01	11.46
96[illegible]	89⅞	Treasury 11½pc 1985‡	91	−⅛	12.64	14.56
98⅞	91¼	Exch. 12¼pc 1985	92¼	−¼	13.21	14.55
97⅛	89¼	Exch. 11¾pc '86	91xd	−¼	12.91	14.52
70[illegible]	68	Treasury 3pc 1986	69½		4.32	11.51
97[illegible]	90	Treasury 12pc '86	91	−¼	13.19	14.64
88⅝	81¼	Treasury 8¼pc '84-86‡‡	82¼	−⅛	10.33	13.57

Five to Fifteen Years

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103⅞	94¼	Exch. 13¼pc 1987	97⅛	−⅛	13.79	14.29
81¾	75	Funding 6½pc '85-87‡‡	77¼	−⅛	8.64	12.72
99½	89¾	Treas 12pc 1987	92½	−⅛	13.50	14.75
81⅛	74⅜	Treasury 7¾pc '85-88‡‡	76¼	−⅛	10.17	13.35
65½	59⅛	Transport 3pc '78-88	63½	−½	4.76	10.66
92¼	80½	Treasury 11½pc 1989	83¾xd	−½	13.72	15.11
67⅛	61¼	Treasury 5pc '86-89	64⅝	−¼	7.95	12.34
101½	86⅜	Treasury 13pc 1990‡‡	93¼	−¼	14.06	14.56
95[illegible]	85⅜	Exch. 12½pc 1990	85¼xd	−½	14.39	15.33
80⅞	72⅝	Treasury 8¼pc '87-90‡‡	74¾	−½	11.26	13.52
93⅛	80⅞	Treasury 11¾pc 1991	83¼	−½	14.25	15.31
66¾	60⅜	Funding 5¾pc '87-91‡‡	62¼	−¼	9.49	13.05
90	78¼	Exch 11pc 1991	81⅞	−½	14.04	15.23
98⅜	85¼	Treasury 12¾pc '92‡‡	88¼	−⅛	14.62	15.21
82⅞	71½	Treasury 10pc 1992	74xd	−½	13.51	14.93
94⅜	80⅝	Exch. 12¼pc '92	83⅝xd	−½	14.62	15.35
101⅜	88⅞	Exchequer 13½pc '92	89xd	−¼	14.96	15.39

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
67½	59	N.Z. 7½pc 1988-92	60¾		12.23	14.92
81¾	74	Do. 7½pc '83-86	75¼		10.14	15.31
141	115	S. Rhod 2½pc Non-Ass	140		—	—
60	43	Do. 3½pc 80-85 Assd.	60		5.83	18.40
43	26	Do. 4½pc 87-92 Assd.	41		10.98	16.60
395	335	Zimbabwe Ann (£100pa)	390	−1	—	21.47

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

1981 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Yld Gr's
120p	75p	Place Gas $1	85p	−5	—	—	—
17½	10¼	Rio Algom	16⅞	+⅛	$1.50	—	3.9
12⅞	10⅞	Royal Bk. Can. $1	11⅞	−⅛	$1.80	—	6.7
32⅛	23½	Seagram Co. C$1	31¼xd	+⅛	US$1.40	—	2.5
14⅛	11¼	Tor. Dom. Bk. $1	12⅞	−⅛	$1.60	—	5.5
11	750p	Trans Can. Pipe	10	+⅛	$1.16	—	5.1

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
67	40	Hewitt (J.)	66	+1	1.8	8.8	3.9	3.4
50	26	Highgate & Job 50p	34		—	—	—	—
162	40	Hill (Chas.) £1	153	−2	—	—	—	—
37	16	Hirst Mal'son 20p	31		♦0.1	—	0.5	—
108	86	Holden (A.)	106		5.0	2.2	6.7	8.0
47	24	Hollis Bros	33		—	—	—	—
77	55	Holt Lloyd Int. 10p	70	−1	3.17	1.5	6.5	13.3
163	98	Hoover 'A'	100		‡6.0	—	‡	—
80	39	Hoskins & H 20p	80	+3	2.0	—	3.6	—
76	48	Howard Tenens	69xd	−1	1.55	♦	3.2	♦
420	250	Hunting Assoc.	310		5.0	5.8	2.3	7.8
160	112	Huntleigh 10p	142	−1	1.5	3.8	1.5	17.6
226	120	Hutch Whamp SHK1	212	+2	Q32c	♦	1.4	♦
15	11½	Hyman (I. & J.) 5p	13½	+½	0.83	3.9	8.8	3.3
£20¹¹⁄₁₆	£12⅝	I.C. Industries‖	£19⅝	+⅛	Q$2.20	—	6.2	—
70	25	ICL	34		‡2.97	—	‡	—
44	35	Ingall Inds. 10p	42		t2.5	1.6	8.5	11.6
249	188	Initial Services	248xd	−1	9.0	2.3	5.2	11.4
23	9	Inter-City 20p	17½		—	—	—	—
78	39	J. B. Holdings 10p	78		3.0	4.9	5.5	5.1
192	110	Jacksons Bourne	180		5.0	♦	4.0	♦
26½	12	James (M.) Inds. 10p	22½	−½	1.0	3.3	6.4	5.3
248	147	Jardine M. SHK6	206	+6	Q88c	2.0	4.0	12.8
25½	16½	Jentique	18½		‡1.03	—	‡	—
10	6½	Johnson & Barnes	7#		—	—	—	—
257	152	Johnson Clnrs.	254		†7.0	3.4	4.0	8.3
*293	186	Johnson Mthy. £1	290		9.5	2.3	4.7	(10.7)
92	75	Jourdan (T.) 10p	86		5.25	1.8	8.9	8.8
81	57	Kalamazoo 10p	57		‡3.75	1.4	‡	9.3
170	136	Kelsey Inds.	140		‡8.0	4.7	8.2	3.7
148	112	Kennedy Sm. 10p	146		4.38	♦	4.3	♦
330	255	Kershaw (A.) 5p	280	−5	21.75	0.6	11.3	(25.8)
75	54	Kleen-E-Ze Hldgs.	65	−5	5.5	0.7	12.1	(19.0)
75	59	L.C.P. Hlds	67		4.3	1.1	9.2	(14.1)
48½	37	L.R.C. Int. 10p	45xd	−1½	2.5	♦	7.9	♦
56	42	Lawtex	45		‡4.0	1.0	‡	(11.9)
177	116	Lead Inds. 50p	166	−1	9.66	1.2	8.3	13.8
80	55	Leadenhall Sterling	75		3.5	2.8	6.7	6.9
330	310	Lep Group 10p	325		16.5	♦	7.5	♦
28	13	Lesney Prods. 5p	24		8—	—	—	—
123	73	Letraset 10p	118	−3	♦†7.14	1.3	8.6	12.2
45	30	Lilleshall 10p	41	−1	3.5	2.7	12.2	(3.4)
36	25	Lon. & Liv. 10p	35		1.7	3.3	7.1	5.8

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPERS, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
330	180	Colby Res. Corp.	240	+5	—	—	—
310	200	Cons. Murch. 10c.	310	+25	Q30c	1.8	5.5
8½	6	††Exploura Gold	7½		—	—	—
98	55	††Hemerdon 10c.	60		—	—	—
180	110	Highwood Res.	115	−5	—	—	—
505	300	Northgate C$1	505	−5	—	—	—
653	572	R.T.Z.	590	−2	24.0	3.2	5.8
£130½	£73½	R.T.Z.SoiCnv.95/2000	£120	−1½	Q8½%	—	7.5
103	27	††S.T.D. Minerals 10p	27	−5	—	—	—
57	22	Sabina Inds. C$1	27		—	—	—
44	28	††SWCAN 10c.	33	−1	—	—	—
560	455	Tara Expln. $1	500	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities
- †† Dealt in under Rule 163(2)(a): not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue, cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganization in progress.
- ♦ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ‡‡ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p.	45	...	[illegible]	[illegible]	[illegible]
Bertrams	10	...	[illegible]	[illegible]	[illegible]
Bdg'water Est. 50p.	535	−5	[illegible]	[illegible]	...
Craig & Rose £1	[illegible]	...	Alliance Gas	67	...
Finlay Pkg. 5p.	21	...	Arnott	220	...
Graig Ship. £1	[illegible]	...	Carroll (P.J.)	[illegible]	...
Higsons Brew.	[illegible]	...	Concrete Prods.	[illegible]	+5
Holt (Jos.) 25p.	[illegible]	...	Heiton (Hldgs.)	[illegible]	+1
I.O.M. Stm. £1	[illegible]	...	Irish Ropes	[illegible]	...
Pearce (C. H.)	[illegible]	...	Jacob	[illegible]	...
Peel Mills	[illegible]	...	T.M.G.	[illegible]	[illegible]
Sheff. Refrshmt	9xd	...	Unidare	[illegible]	...
Sindall (Wm.)	[illegible]	...			

OPTIONS

3-month Call Rates

Industrials					
A. Brew.	6½	House of Fraser	[illegible]	Utd. Drapery	[illegible]
BOC Intl	[illegible]	I.C.I.	30	Vickers	[illegible]
B.S.R.	7	"Imps"	[illegible]	Woolworths	[illegible]
Babcock	[illegible]	I.C.L.	6	**Property**	
Barclays Bank	[illegible]	Ladbroke	[illegible]	Brit. Land	[illegible]
Beecham	18	Legal & Gen.	[illegible]	Cap. Counties	[illegible]
Blue Circle	33	Lex Service	[illegible]	Land Secs.	[illegible]
Boots	[illegible]	Lloyds Bank	[illegible]	MEPC	[illegible]
Bowater	26	"Lots"	[illegible]	Peachey	[illegible]
Brit. Aerospace	17	London Brick	7	Samuel Props.	[illegible]
B.A.T.	25	Lucas Inds.	[illegible]	Town & City	[illegible]
Brown (J.)	9	"Mams"	[illegible]	**Oils**	
Burton Ord.	14	Mks. & Spncr	[illegible]	Brit. Petroleum	33
Cadburys	7½	Midland Bank	36	Burmah Oil	26
Courtaulds	7	N.E.I.	[illegible]	Charterhall	[illegible]
Debenhams	10	Nat. West. Bank	[illegible]	KCA	[illegible]
Distillers	17	P & O Dfd.	[illegible]	Premier	[illegible]
Dunlop	[illegible]	Plessey	[illegible]	Shell	[illegible]
Eagle Star	25	Racal Elect.	[illegible]	Tricentrol	[illegible]
F.N.F.C.	3	R.H.M.	5	Ultramar	64
Gen. Accident	30	Rank Org. Ord	[illegible]	**Mines**	
Gen. Electric	60	Reed Intnl.	[illegible]	Charter Cons.	20
Glaxo	[illegible]	Sears	5	Cons. Gold	45
Grand Met.	[illegible]	Tesco	[illegible]	Lonrho	9
G.U.S. 'A'	46	Thorn EMI	[illegible]	Rio T. Zinc	45
Guardian	30	Trust Houses	15		
G.K.N.	15	Tube Invest.	[illegible]		
Hawker Sidd.	25	Turner & Newall	16		
		Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Thursday August 20 1981

Holiday Inn plans 12 new hotels in UK expansion

By Arthur Sandles

HOLIDAY INN is embarking on a £354m expansion plan outside the U.S. For Britain this means at least 12 new hotels. Another 12 are planned for West Germany.

The company is looking at development schemes in Manchester, York, Oxford, Cambridge, Edinburgh, Southampton, Bath and "various locations in the Midlands."

It is examining a project in Dublin. Among the German schemes are hotels in Hamburg, Berlin, Essen and Coblenz.

"These projects form part of a new 10-year international development programme outside the U.S., expected to cost more than £354m and incorporating considerable Holiday Inn Hotel expansion not just in the UK and Continental Europe but in all the major business and tourist-receiving markets," said Mr Sigi Bergmann, managing director of Holiday Inn Europe.

Holiday Inns Incorporated is already the world's largest hotel company in terms both of rooms (302,578 at the end of 1980) and of hotels (1,755).

Most of the properties, however, are operated under management contracts or franchise schemes. The £354m investment therefore, being the company's own stake, is somewhat less than the total expenditure is likely to be.

The group will probably open 15-20 hotels a year over the next decade.

It will open a 350-room hotel in the Place de la République, Paris, next spring; has a building in progress in Cairo; is in the final stages of a negotiation in Amsterdam; and is "actively looking" at sites in Vienna.

Mr Bergmann was speaking in London on the 10th anniversary of the opening of Holiday Inn's first British hotel, in Leicester. The first few years were difficult ones for the company as it struggled to adapt its American-style product to European tastes.

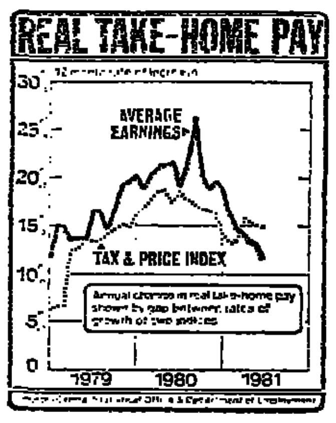
The average Holiday Inn has 75-100 employees, and so the British plans will create about 1,000 new jobs.

Pan Am hotels operation—a complex package, Page 18

Pay rises now averaging 9%, Whitehall claims

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE AVERAGE level of pay rises in the UK is clearly down into single figures. Earnings in some industries are, however, now starting to be pushed up as a result of a slight increase in overtime and a reduction in short-time working.



Department of Employment and Confederation of British Industry figures published yesterday confirm the pattern of continued moderation.

Whitehall officials reckon that wage rises have recently averaged about 9 per cent, less than half the level of a year ago.

The CBI's pay databank indicates average rises in the past month of about 8 per cent in manufacturing. Comments suggest that the recession has had a considerable impact by way of the low level of profits, the inability of managements to pass on pay rises and the risk of redundancy.

Outside manufacturing, rises in private sector service businesses have on the whole been lower than a few months ago. According to the CBI, averages have ranged from 9.5 per cent in retailing to just under 11 per cent in insurance, banking and finance and in the catering and leisure industries.

About threequarters of the deals in central and local government have been for 7.5 per cent, while there has been a variation in the nationalised industries between low deals in companies engaged in manufacturing to above average rises in the energy corporations.

The Government's average earnings index for the whole economy rose by 11.8 per cent in the year to June to 203.6 (January 1976=100, seasonally adjusted). This is the lowest rise since January 1979 and compares with a rate of 13.2 per cent in May this year.

The growth of earnings is now slower than the rise in the cost of living as measured by the tax and price index, which takes account of the rise in the personal tax burden as well as the increase in retail prices.

For June the 12-month rates of increase were 11.8 per cent and 14.9 per cent respectively. This indicates the squeeze on the real take-home pay of the average taxpayer.

The slowdown in the annual growth of earnings may be partially offset by an increase in hours worked. Overtime amounted to 9.1m hours per week in July, compared with a low of 8.05m in March. Short-time working has dropped to 3.64m hours a week from a peak of 8.46m hours in January, though this may partly reflect a switch to redundancies rather than back to full-time working.

There has already been a fractional rise in the underlying monthly rate of growth in average earnings to 0.8 per cent during the summer compared with 0.7 per cent in the spring, though this is well under half the rate of last year.

Cyclical indicators suggest economic recovery in next year will be slight

BY PETER RIDDELL

THE BRITISH recession may have flattened out during the summer but any recovery looks like being very modest over the next year, according to the official indicators which attempt to measure turning-points in the trend of economic activity.

The Central Statistical Office's cyclical indicators, published yesterday, provide important but not yet conclusive evidence in the debate about the state of the economy, following the further slight contraction in Gross Domestic Product in the second quarter of this year.

The composite index of coincident indicators, moving in line with the economy, was broadly unchanged between last November and March, but has moved slightly upwards in recent months.

This estimate is based on partial information, subject to later revision. Nevertheless in July this index was 92.0 (1975=100) compared with 91.1 in June and 90.8 in May.

Uncertainties about the future course of the economy have, however, been increased by a fall in both June and July in the index of longer-leading indicators, looking ahead an average of ust over a year. There has also been a levelling-off in the trend of shorter leading indicators.

The drop in the longer leading index was the result of the decline in share prices and increase in short-term interest rates in the last couple of months.

These movements have to be interpreted with considerable caution but they are consistent with other evidence of an end to the decline in industrial output and improvements in some sectors such as chemicals.

There are no signs of any general upturn in activity and the recovery is expected by most economists to be only slow, leaving output at the end of next year well below the levels of 1978.

U.S. economy is weaker than estimated

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Government, which needs a pick-up in the U.S. economy to push Federal budget deficits into better balance, yesterday said that economic activity in the April-June quarter was a little weaker and inflation slightly higher than previously estimated.

Real gross national product ell at an annual rate of 2.4 per cent in the second 1981 quarter, the Commerce Department reported. Its preliminary estimate had put the decline at 1.9 per cent.

Inflation, measured by the broad gauge of the Gross National Product (GNP) implicit price deflator, rose by 6.6 per cent during the second quarter, instead of the 6 per cent estimated earlier.

Declining car sales were a big cause of the April-June fall in GNP. High interest rates have discouraged people from buying large items such as cars or houses.

The Commerce Department report warns of ominously large stocks of unsold cars. In spite of *flagging sales in the second* quarter, the pace of car production did not falter. If the excess of cars on dealers' lots is not sold in this quarter, the Department warns that big cutbacks in car assembly will follow later this year.

Some of the Administration's economists, notably Mr Murray Weidenbaum, chairman of the President's Council of Economic Advisers, have warned that the economy might be approaching a recession, before moving ahead again by the end of the year. However, the most recent evidence, for July, suggests that *the economy may just be levelling* off after the poor second quarter performance.

Any economic slump has the automatic effect of widening the Budget deficit, by decreasing profits and incomes and thus Government tax revenues, while increasing the amount paid out in unemployment compensation.

The latest GNP figures provide an unpleasant reminder to the Administration that the course of the economy could de-rail its plan to keep the Budget deficit in the fiscal year starting October 1 to $42.5bn (£23.3bn). President Reagan has *already cautioned that*, without more public spending cuts, this target may not be met.

Continued from Page 1

U.S. steel imports probe

makers having seen their export prices in the U.S. fall because of the dollar's appreciation, have applied for special permission to sell in the U.S. at below trigger price under the "pre-clearance" system available.

This system allows a foreign steel producer to demonstrate that his import price, while below the trigger level, is still a fair reflection of his production costs.

The Commerce Department is investigating whether any of the applicants benefit from Government subsidies, something which would be grounds for turning down the pre-clearance application.

According to the Department, only the application of Hoogovens of Holland is close to being ready for final consideration. Other steelmakers have failed so far to submit the necessary documentation to the U.S. authorities.

BSC last night said it preferred not to comment until it established what the investigation was about.

Exports by BSC to the U.S. are running at much lower levels than they did historically, largely because of the effectiveness of the trigger price mechanism and the threat of retaliation.

Continued from Page 1

Libyan jets downed

some of the 400 combat aircraft in the Libyan Air Force are flown by Soviet and Palestinian pilots.

The U.S. fighters were sweeping south on a routine patrol to warn other aircraft to stay away from the area in which the exercise was taking place and where missiles were to be fired, the Petnagon said.

All those who needed to know about the exercise, "airmen and mariners," had been correctly notified, Mr Weinberger stressed. The exercise, which finised about 12 hours after the incident, proceeded without interruption.

The U.S. protest was delivered by Belgium, in the absence of normal diplomatic relations between the U.S. and Libya.

It said the U.S. would resist "with force if necessary" any future attack on its forces operating in international waters.

A special meeting of Nato in Brussels called by the U.S. yesterday afternoon was briefed on the action. The council, in a short statement following the meeting said it "welcomed the prompt action on the part of the U.S. in briefing them.

Akzo reprieves N. Ireland fibres plant

BY OUR BELFAST CORRESPONDENT

THE BRITISH Enkalon fibres plant at Antrim in Northern Ireland, which was to close with the loss of 1,300 jobs at the end of the month, is to be kept open until March with a much reduced labour force.

The Enka fibres division of the Dutch chemicals group, Akzo, has agreed to defer the closure so the factory's chances of becoming viable can be re-examined. Akzo warned yesterday, however, that while "nothing is impossible," in purely business terms "the factory should be closed now."

Under the new plan, about 500 employees will be made redundant immediately, and 750-800 will stay on over the seven-month period of grace.

The Northern Ireland Department of Commerce said yesterday that it would provide up to £1.5m towards the costs of keeping the plant open during this time.

Enka's decision follows intense lobbying by officials of the Transport and General Workers' Union in Northern Ireland. The efforts of unions and staff at the Antrim plant are believed to have had the support of Mr Roelf Schierbeck, deputy chairman and chief executive of British Enkalon.

The company said on July 15 that it was being forced to close the plant which was opened in 1963. Negotiations between Enka and the Department of Commerce on the financing of a £17m plan to maintain an operation employing 1,100 people at Antrim had failed to reach agreement.

The original survival plan would have meant production being concentrated on nylon carpet yarn. Under the plan to defer closure, the company has decided to continue production of both textile and carpet yarn.

The unions at the plant have agreed to postpone a 5 per cent wage increase, which was due in October, and will examine with management areas where productivity can be improved and costs reduced.

Enka will review the plant's prospects in February. There is little as yet to suggest that the factory, which had been Antrim's largest employer, has a long-term future.

Mr Adam Butler, Minister of State in Northern Ireland, warned yesterday: "We have to remember that Enka took the original decision—in spite of a Government offer of massive assistance — on commercial grounds because they could not really see a future for the plant."

However, he said he was delighted with the decision to defer closure as it would alleviate what would otherwise have been "profound social effects."

He hoped it would be possible for management and unions to demonstrate during the seven-month stay of execution that the factory could become profitable.

Mr Ernest McBride, district secretary of the TGWU, said: "We put forward an alternative in the hope that it might help ensure the future of the factory. Only time will tell. But I hope the combined efforts of the work force and management will make it work."

Small surplus for Akzo, Page 19

Thomson may be forced to sell papers in Canada

By Our Ottawa Correspondent

THE THOMSON newspaper group could be forced to sell *either its flagship publication*, the Toronto Globe and Mail, or all 39 of its other Canadian daily newspapers under sweeping anti-trust recommendations made yesterday by a Canadian Royal Commission.

The Kent Commission, established nine months ago, has called on the Government to curb the growth of publishing and broadcasting conglomerates in Canada and urged that legislation to regulate ownership be introduced.

The commission's 300-page report says newspaper chains should be forced to sell some of their holdings to ease the "monstrous" concentration of news outlets caused by acquisitions and closures.

Under one recommendation — that chains should not own national newspapers — Thomson Newspapers could be forced to sell the Globe and Mail, Canada's only national newspaper.

Alternatively, it would have to sell all of its other 39 Canadian dailies. Most of these, the commission says, are "cash cows," whose earnings can be milked to buy other newspapers or to finance expansion into other ventures. Thomson newspapers account for 25.7 per cent of the total circulation of dailies in Canada.

Southam Inc of Toronto, whose 14 daily newspapers have 39.6 per cent of the country's total daily circulation, would have to sell its 30 per cent stake in Selkirk Communications, which has extensive radio, television, and cable interests in Canada and abroad.

The commission was established after Thomson and Southam closed large dailies in Ottawa and Winnipeg in August last year. Thomson merged with a Southam newspaper in Victoria and sold a Vancouver newspaper to Southam.

It also recommends a tax incentive to encourage more spending on editorial coverage and calls for laws to guarantee the independence of editors and newspapers owned by chains.

The publisher of the Toronto Globe and Mail, Mr A. Roy Megarry, said he did not think the recommendations affecting Thomson Holdings would be accepted by the Government.

"It is so far-fetched and so inequitable and so out of keeping with the facts that this is one recommendation that won't be implemented."

Weather

UK TODAY

DRY in the west, scattered showers in the east. Rather cool.

N. Scotland, Orkney, Shetland *Central S. and N. England, Midlands, London*

Sunny periods, light showers. Max. 19C (66F).

S.E. England, E. England, Channel Islands

Rain at first, bright and showery later. Max. 19C (66F).

S.W. and N.W. England, Wales S.W. Scotland, Central Highlands, Isle of Man

Dry with sunny intervals. Max. 18C (64F).

N.E. England, Borders, N. Ireland, E. Scotland

Cloudy, a little rain. Max. 17C (63F).

Outlook: Changeable in north. Becoming warm in the south.

WORLDWIDE

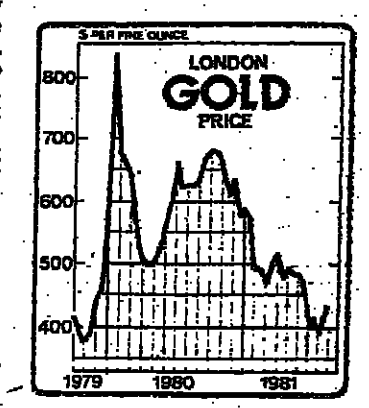
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	26	79	L. Ang.†	C	21	70
Algiers	S	33	31	Luxmbg.	C	18	64
Amadm.	C	18	64	Luxor	S	45	113
Athens	S	25	77	Madrid	S	20	68
Bahrain	S	36	97	Majorca	S	29	84
Barclna.	S	26	79	Malaga	S	27	81
Beirut	S	29	84	Malta	C	29	84
Belfast	R	14	57	Mchstr.	R	15	59
Belgrd.	S	23	73	Melbne.	C	16	61
Berlin	R	17	63	Mx. C.†		—	—
Biarritz	F	24	75	Miami†	C	26	79
Bmghm.	C	16	61	Milan	S	24	75
Blackpl.	R	15	59	Montrl.†	F	17	63
Bordx.	S	26	79	Moscow	F	19	66
Boulgn.	C	19	66	Munich	S	23	73
Bristol	F	18	64	Nairobi	C	22	72
Brussels	C	17	63	Naples	F	28	82
Budpst.	S	23	73	Nassau		—	—
Cairo	S	32	90	Nwcstl.	C	15	59
Cardiff	C	16	61	N York†	S	19	66
Casbca.	S	24	75	Nice	S	26	79
Cape T.		—	—	Nicosia		—	—
Chicg.†	S	12	54	Oporto	F	19	66
Cologne	C	15	59	Oslo	F	20	68
Cpnhgn.	F	17	63	Paris	C	21	70
Corfu	S	31	88	Perth	R	13	55
Denver†	F	15	59	Prague	F	21	70
Dublin	R	16	61	Rykjvk.	S	11	52
Dbrvnk.	S	25	77	Rhodes	S	29	84
Ednbgh.	R	15	59	Rio J'o†		—	—
Faro	S	27	81	Rome	S	28	82
Florence	S	29	84	Salzbrg.	S	24	75
Frankft.	C	21	70	S'ciscot	C	16	61
Funchal	S	23	73	S. Mrtz.		—	—
Geneva	S	26	79	Singapr.		—	—
Gibrltr	S	28	82	S'tiagot		—	—
Glasg'w	R	13	55	Stckhm.	F	18	64
G'nsey	S	17	64	Strasbg.	C	23	73
Helsinki	C	15	59	Sydney	F	19	66
H Kong	F	32	90	Tangier	F	27	81
Innsbrk.	S	24	75	Tel Aviv	S	28	82
Inv'ness	R	13	55	Tenerife	S	30	86
I.o.Man		—	—	Tokyo	C	30	86
Istanbul	C	22	72	Tronto.†	S	13	55
Jersey	F	19	66	Tunis	F	28	82
Jo'burg	C	11	52	Valencia	S	30	86
L. Plms.	S	29	84	Venice	S	24	75
Lisbon	F	23	73	Vienna	F	25	77
Locarno	F	24	75	Warsaw	F	21	70
London	F	21	70	Zurich	S	22	72

C—Cloudy. F—Fair. R—Rain. S—Sunny
† Noon GMT temperatures.

THE LEX COLUMN

Ahead of the game in gold shares

Index fell 3.8 to 563.3



Sentiment towards gold has shifted a long way since the dark days of late June when *the FT Gold Mines Index* was staring at a price of well below $400. Yesterday, with a little help from the Libyan Air Force, gold consolidated the sharp advance made in New York on Tuesday evening to close at $433.

The hectic New York buying may have been caused in part by short-covering but there was also new money entering the market as it moved through the $420 level. There seems to be a growing consensus that, whatever the upside potential, investors have seen the worst of the downturn.

This at least is the message of the Gold Mines Index which has risen 49 per cent in sterling terms, and 41 per cent in dollars, since the end of June. Gold *itself* is up by only 1.4 per cent over the same period.

The index is now discounting a gold price of at least $450, at which level the average yield would be close to 13 per cent. Some expectation of a fall in interest rates has undoubtedly been absorbed into the share prices, without affecting sentiment towards gold. But the overriding assumption behind the share price activity is that a gold price under $400 represents a low price, rather than an average, over the medium-term.

Not surprisingly, high cost producers have been among the greatest beneficiaries of the recent gold share rally. But investors for whom income is not of paramount importance must now be wondering whether the time has come to sell the shares and buy the metal.

Money matters

The money markets seemed to be conspiring yesterday to justify the Bank of England's move to a new system of monetary control by showing just how absurd the old system was. Sudden tightness of money late in the day pushed overnight money up to levels at which the banks' customers began to round-trip on their over drafts. This swelled the banks' balance sheets and increased their need for reserve assets, so that they had to bid up for more funds to place with the discount market. the music finally stopped at 40 per cent.

Another sort of round-tripping, this time in the bill market, continues space. Very large drawings of bills by companies in the last couple of days either mean that the banks are ordering customers to refinance their overdrafts before the new system comes in, or—more plausibly—that the companies are taking advantage of the spread between the rates at which they can borrow on a bill and re-lend in the interbank market.

This discrepancy arises in part because the Bank of England is trying to influence a very large market — the interbank market — through a bill market roughly a tenth the size. A larger pool of eligible bills under the new system will help. But as long as the Bank is lending money nearly 2 points below the market rate, there is room for everyone, from manufacturing companies to discount houses, to make a turn. And to the extent that there has been round-tripping, yet another set of money supply figures will have been messed up.

Airlines

The international airline industry inhabits a more rarified financial world than the rest of us. Of 13 large quoted stocks in the U.S. and Euorpe only two —Delta and Swissair—were able to pay out the latest dividend. Nor is this income dearth a recent phenomenon; Pan Am, Trans World and Eastern have not made a dividend distribution on common stock for a decade, while the record of the others is distinctly spotty. Eastern seems to have turned its back on the cash economy in favour of barter, and is now remunerating shareholders in travel vouchers.

So there has been an acute shortage of fundamental criteria on whihc to value many of the stocks, accounting for their volatility as trading counters. But this risky game is becoming downright dangerous. An inadequate return on capital for a decade has helped build up typical debt to twice the level of equity.

Up to now the banks have supported companies in difficulty, such as Braniff. The assets of most airlines, apart from their leased aircraft, are goodwill and international route licences, which are valueless in the hands of the banking community. But in the case of Pan Am, the banks are acting much tougher and are ensuring that they take out the cash the company can raise through selling its hotels. In future banks are likely to be rather less willing to hand out hostages so freely, and some airlines may find it impossible to find finance for the new fuel efficient aircraft they will need.

A lower volumeof traffic and fierce competition both across the Atlantic and on the deregulated U.S. routes means that the pressure on profits will remain intense. The share prices have reacted sharply downwards over the last couple of months, and the unease has spread to the airframe manufacturers. With cancellations flowing in, Boeing's order book is shrinking rapidly, and the stock is near a two-year low.

Akzo

Like Hoechst and ICI before it, Akzo has produced second quarter figures showing that demand for commodity chemicals in Western Europe remains very dull. Its chemical operating profits are down to Fl 23m from Fl 40m in the same 1980 period, and problems are centred on the colapse of the vinyl chloride market, which shows no sign of picking up in the third quarter.

This is partly offset by loss elimination in fibres, where the European operation remains a considerable, if shrinking loss (Fl 50m in the first half of 1981) but America is profitable.

Overall operating profits in the first half, after a steady second quarter, are down only 20 per cent at Fl 255m, but at the pre-tax level the fall is 60 per cent after a 32 per cent rise in the interest charge. This only partly reflects higher borrowings; Akzo has been badly hit by floating rate debt in South American currencies which have been dragged up against the guilder by the strong dollar.

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